

Attachment 5.3

# KPMG Customer Engagement Report: Prepared for Australian Gas Networks Five Year Plan for the South Australian Network

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SA Final Plan July 2021 – June 2026

July 2020





# Customer Engagement Report

Prepared for  
**Australian Gas Networks**  
*Five Year Plan for the South Australian  
Network (July 2021 – June 2026)*

June 2020

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[kpmg.com.au](http://kpmg.com.au)

ustralian  
Networks



# Introduction

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## **Australian Gas Networks (AGN) owns the gas distribution network in South Australia, and is part of the national Australian Gas Infrastructure Group.**

AGN brings natural gas into more than 460 000 homes and businesses in SA, across Adelaide and regional centres including Mt Gambier, Pt Pirie, Whyalla and the Barossa. They manage a workforce of more than 650 staff and contractors in SA and work with APA Group to maintain and operate the network.

As a monopoly service provider, AGN is regulated by the Australian Energy Regulator (AER) and submits plans every five years to determine their services and prices. This customer engagement report has been prepared to inform the development of AGN's Access Arrangement for the June 2021 to July 2026 period.

Amplifying the consumer voice and delivering on customer expectations is an increasing focus of the energy industry, exemplified by the introduction of the AER's Consumer Challenge Panel (CCP) and establishment of the Energy Charter, of which AGN is a signatory.

While gas is considered a fuel of choice due to its lower price, high levels of reliability, and low environmental impact in comparison to electricity, it faces increasing competition from emerging energy solutions such as battery storage and solar electricity. AGN is working closely with customers and stakeholders to develop long term sustainable energy solutions, with a renewable gas to be a key part of South's Australia's energy future.

In pursuit of their commitment to developing an Access Arrangement proposal that delivers on the long-term interests of customers and is underpinned by effective stakeholder engagement, AGN has designed and delivered an extensive program of customer and stakeholder consultation.

KPMG has supported this program by independently facilitating and reporting on customer engagement activities and working with AGN to design and deploy innovative engagement techniques that elicit meaningful insight and foster community trust and rapport.

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# Executive Summary



# Customers are at the centre of AGN's business planning

## **Australian Gas Networks (AGN) is the natural gas distributor for South Australia, bringing natural gas into more than 460 000 homes and businesses across SA.**

As part of a regulated process, AGN is planning its future investment priorities and services for its South Australian gas distribution network for June 2021 to July 2026, and in doing so seeks to understand its customers' priorities, expectations and preferences.

Community and customer engagement is an important part of this process to help ensure investment priorities reflect customer and stakeholder needs now and in the longer term, and to ensure the strategy has their support.

The priorities and services identified in partnership with the community will be documented in AGN's Final Plan (otherwise known as an Access Arrangement). AGN is committed to developing a Final Plan that:

- is underpinned by effective stakeholder engagement
- delivers for current and future customers
- is capable of acceptance by customers and stakeholders.

AGN adopted a comprehensive engagement approach to truly understand the views of customers and stakeholders. This was set out in April 2019, in the *Customers are at the Centre of our Planning: Draft Stakeholder and Engagement Plan*.

This report presents the findings and insights from AGN's community and customer engagement program through three phases of consultation workshops with customers across SA. This program sought customer feedback on a range of topics including pricing, safety, reliability, service experience and environmental sustainability.

This report also contains a snapshot of the co-design process used to explore how AGN might better support vulnerable customers. This process generated a range of solutions for consideration by AGN, which were further tested with customers in Phase 3 of the customer consultation workshops.

## **Role of KPMG**

KPMG was engaged by AGN as an independent facilitator for the customer engagement program. Workshop structure, approach, and content were co-developed by AGN and KPMG. KPMG collated, documented and synthesised all data captured through the customer engagement process.

# AGN is committed to engaging with customers and stakeholders

**AGN adopted a comprehensive multi-faceted engagement approach with an innovative co-design process to truly understand the views of customers and stakeholders.**

The engagement strategy included:

- 1. Consultation workshops (three phases)** with up to 130 residential and business customers across South Australia's regional and metropolitan centres and with diverse communities
- 2. Human-centered co-design** to explore ways to better support vulnerable customers
- 3. Key stakeholder engagement** through the SA Reference Group and the Retailer Reference Group, including having members of the SA Reference Group attend some customer consultation workshops
- 4. Individual direct consultation** with stakeholders, proactively and in response to consultation requests
- 5. Gas Matters online public engagement**, including providing video feedback on other engagement activities.
- 6. Major customer surveys** to inform demand projections and preferences around AGN's services

AGN listened, developed and tested proposals with customers, iteratively integrating these views into its business plans. More information on the full engagement program is available on AGN's online platform, Gas Matters ([www.gasmatters.agig.com.au](http://www.gasmatters.agig.com.au)).





# AGN used regular customer input to shape its draft plans

## Over the course of nine months, AGN undertook three phases of engagement and consultation with 128 residential and business customers across SA to inform the development of its Draft Plan.

The consultation sought a broad cross section of opinions to help understand the issues most relevant to different customer segments. Each phase of workshops built on the one prior, enabling AGN to develop and test proposals over time together with customers, integrating customer views into the development of its business plans. Repeat engagement with the same customer cohort enabled customers to grow their understanding of the role of AGN, creating an informed and engaged customer base.

AGN communicated clearly throughout the engagement process on how feedback would be used in the regulatory process, including input from customers would be used as directional input to the planning process.

The topics explored and depth and quality of conversation both evolved over the course of the three phases of engagement. Core topics on which AGN engaged across all three phases were:

- **Price and affordability** – understanding the importance ascribed by customers to price, and explaining in depth and seeking feedback on AGN’s proposed price cut (of an initial 8% before inflation, followed by 1.2% annual increases)
- **Safety** – explaining AGN’s current high standards of safety and seeking customer feedback to ensure these are retained
- **Reliability** – understanding whether and why reliability is important to customers, and seeking customer feedback on AGN’s plan to retain high levels of reliability
- **Service and communication** – exploring preferred communication channels, particularly digital communication channels, and why this might vary for particular types of interactions (e.g. why phone calls may be preferred for gas leaks, or email notifications for planned maintenance)
- **Hydrogen and environmental sustainability** – presenting AGN’s Hydrogen Park SA investment and exploring how important investing in renewable energy is to customers
- **Innovation** – extending the conversation about service improvements and environmental sustainability to further test customers’ support for AGN investing in innovation
- **Metering** – exploring customers’ experiences of metering activities, and testing customers’ appetite for smart meters.

Supporting vulnerable customers was identified as a key priority area for engagement early in the process. In addition to customer engagement, AGN undertook a co-design process with stakeholders from the social services sector to explore opportunities for service improvements. This is discussed further in the **Spotlight on Vulnerable Customers** section of this report (refer page 42).

# AGN used regular customer input to shape its Draft Plan

The below table illustrates the topics addressed in each phase.

	Phase 1	Phase 2	Phase 3
<b>Timing</b>	<i>July-August 2019</i>	<i>October-November 2019</i>	<i>February-March 2020</i>
<b>Key Objective</b>	To understand customer priorities, expectations and views about gas supply and service delivery.	To seek feedback on and refinement of AGN's proposed approach.	To share and seek feedback on AGN's Draft Plan and confirm it reflects customer feedback to date. To explore whether customers support the inclusion of specific additional proposals into the Final Plan.
<b>Outcome for AGN's Planning Process</b>	Informed the development of specific, costed proposals aligned with customer priorities.	Informed the development of AGN's Draft Plan.	Informs changes to AGN's Draft Plan, resulting in the Final Plan.
<i>Price / Affordability</i>	●	●	●
<i>Safety</i>	●	●	●
<i>Reliability</i>	●	●	●
<i>Service and communication</i>	●	●	●
<i>Hydrogen / Sustainability</i>	●	●	●
<i>Innovation</i>	●	●	●
<i>Metering</i>	●	●	
<i>Vulnerable Customer Assistance</i>		●	●
<i>Other</i>			Community education



I like the focus on sustainability and renewable energy. And ongoing commitment to customer safety

# We have identified seven key customer insights

The below insights have been generated from the three phases of customer engagement, with further discussion on each topic provided in the *Key Insights* section.

A summary of the key findings for each phase of consultation is also available in Appendix B.

## Page

- 21-23 Customers support AGN's draft plan and investment proposals.** Customers were particularly supportive of the proposed price cut, and were pleased to see that their feedback had been considered in AGN's proposals.
- 24-26 AGN is trusted for its delivery of safe, reliable gas.** Customers recognise the high priority placed on safety and reliability, and trust AGN's record of high standards in maintaining public safety and ensuring that gas is reliable.
- 27-32 Digital channels are an important avenue of customer communication.** Customers expect a range of options to be available when contacting or being contacted by AGN, with varying individual preferences for specific functionality.
- 33-34 Environmental sustainability is a high priority for customers.** Customers consider lowering carbon emissions to be a high priority and there are high levels of support for AGN replacing lost gas (UAFG) with renewable gas.
- 35-36 Customers support AGN investing in innovation.** They demonstrate a level of comfort with innovation, and appreciate the opportunities to contributing to finding better, more effective and more efficient ways of working.
- 37-38 Education is important, but it must be accessible for everyone.** Some customers are supportive of AGN's proposal to establish a Community Education Centre; however, there were questions around how it would benefit all South Australians (e.g. those in regional areas).
- 39-40 Supporting vulnerable customers is responsible business.** Customers support AGN investing in a vulnerable customer assistance program, with some questions raised relating to ensuring the funding and delivery model is fair and equitable.

# Innovative techniques have formed the basis of AGN's engagement process

## In recognition of the different communication preferences of customers, a range of engagement techniques were employed.

These were designed to:

- complement the consultation topic, eliciting relevant insight and input
- enable full participation from every attendee, accommodating different preferences for how to contribute
- mitigate risks of groupthink or dominant voices
- allow for customers contribute additional commentary and ask questions.

Further detail on engagement techniques is included in Appendix A: Methodology.

Working with the same customer group over three phases enabled us to tailor engagement approaches and select the techniques most suitable for both the customer cohort and the topic at hand. The facilitation tone and structure was adapted for each workshop; a more structured format was applied for larger, more lively groups, while there was plenty of time for discussion with AGN experts at tables for quieter cohorts. We also leveraged multiple engagement approaches to explore each topic, enabling us to draw richer meaning and insight.



I have enjoyed learning about a subject that I had never really thought about before. Very informative.



**Individual reflection and sharing of ideas & comments**



**Online feedback and live polling**



**Videos**



**Small group discussion**



**Worksheets and questionnaires**



**'World café' style booths**



**Whole group discussion and Q&A**



**Posters and visual displays**



**Pre-paid feedback postcards**

# Customer feedback about the process has been highly positive

- So impressed with the professionalism, clarity and calibre of all presenters (over the 3 sessions)
- Good representation of management, it ...feels that we're a part of change



99.4% customers satisfied/very satisfied with the workshops overall

98.6% customers satisfied/very satisfied that there was an opportunity to have a say

98.8% customers satisfied/very satisfied with the presentation materials provided by AGN





# Engagement Approach



# We engaged with the same group three times over nine months

## Three phases of workshops were held with a mix of business and residential customers:

1. to explore what customers value in their gas supply (e.g. reliability, affordability, safety, sustainability)
2. to test specific proposals on key topics
3. to seek feedback on the Draft Plan.

Through regular re-engagement with the same cohort, AGN was able to build trusted relationships with the community and facilitate more in-depth conversations based on a solid understanding of the gas supply chain.

The process is outlined below.

Not intimidating, very casual, encouraged participation

AGN has taken on board many of our concerns/suggestions

## Key objectives of each phase

### Phase 1 Workshops

Understanding customer priorities, expectations and views about gas supply and service delivery.

### Phase 2 Workshops

Seeking feedback on and refinement of AGN's proposed approach.

### Phase 3 Workshops

Sharing and seeking feedback on AGN's Draft Plan and confirm it reflects customer feedback to date.

Exploring whether customers support the inclusion of specific additional proposals into the Final Plan.

AGN develops specific proposals

AGN develops Draft Plan

# We engaged with a broad cross-section of the community

## Ensuring representation across a broad cross-section of the customer base was an important part of the design of the engagement program.

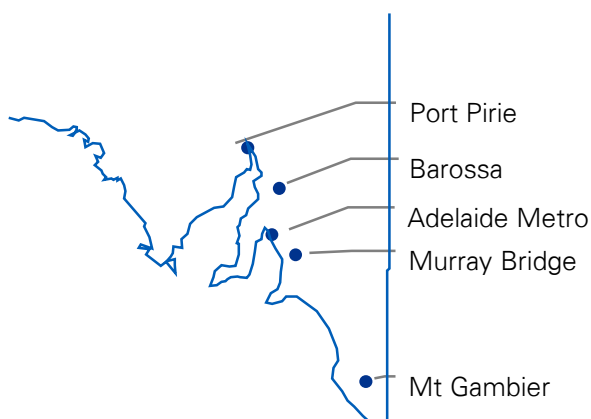
The engagement process recruited a diverse sample of participants including people of different ages, gender, income, and living arrangements.

It also included business and residential customers, metropolitan and regional customers, and culturally and linguistically diverse customers and communities.

The sample was not designed to be statistically significant as a representative sample of AGN's customer base in South Australia. Insights and findings presented in this report are intended to provide AGN with directional feedback and form part of AGN's broader consultation program to inform the development of its Final Plan.

In total, 22 workshops were held with up to 128 customers across five locations, comprising 7 workshops for each of the three phases, plus one additional workshop in Mt Gambier to accommodate customer availability.

AGN executives (including Chief Executive Ben Wilson) and staff members were present at workshops to provide customers with informed answers to their questions and to hear first-hand what customers had to say.



Really appreciate that you do the focus groups & find it really interesting



Good information. Good engagement. Good to see CEO here presenting. Shows they are serious about the workshop.



Rushed a bit. [though the session is] ... probably long enough so it's a balance



# The questions we asked evolved over the three phases of engagement

## Each phase of workshops built on the one prior, enabling AGN to develop and test proposals over time together with customers, integrating customer views into the development of its Draft Plan.

The below table shows how the depth of consultation evolved, with the questions asked of customers<sup>1</sup> becoming progressively more specific to elicit deeper conversation.

	Phase 1	Phase 2	Phase 3
<b>Key Objective</b>	To understand customer priorities, expectations and views about gas supply and service delivery.	To seek feedback on and refinement of AGN's proposed approach.	To share and seek feedback on AGN's Draft Plan and confirm it reflects customer feedback to date. To explore whether customers support the inclusion of specific additional proposals into the Final Plan.
<b>Outcome for AGN's Planning Process</b>	Informed the development of specific, costed proposals aligned with customer priorities.	Informed the development of AGN's Draft Plan.	Informs changes to AGN's Draft Plan, resulting in the Final Plan.
<i>Price / Affordability</i>	What about price and affordability is important to you – why?	Do you have any questions about how prices are set? Do you have any feedback on the proposed price cut?	Do you have any questions or feedback about AGN's proposed price cut?
<i>Safety</i>	How important, relative to other factors, is public safety to you – why?	Are you comfortable with AGN's approach to maintaining public safety – why?	Do you have any feedback or questions about how public safety levels will be maintained in AGN's Draft Plan?
<i>Reliability</i>	What about a reliable gas supply is important to you – why? How is AGN currently performing?	Are you comfortable with AGN's approach to maintaining reliability levels – why?	Do you have any feedback or questions about how reliability levels will be maintained in AGN's Draft Plan?
<i>Service and communication</i>	What makes a great customer experience for you?	Do you expect AGN to offer more digital services? Would you be prepared to accept an annual fee increase for online services (\$2.50) and/or SMS services (\$5.50)?	Do you have any feedback or questions about customer services in AGN's Draft Plan? What types of digital functionality are most important to you – why?
<i>Hydrogen / Sustainability</i>	How important is environmental sustainability to you – why?	Would you like AGN to do more to lower carbon emissions?	Do you support AGN's proposal to replace lost gas with Hydrogen – why?
<i>Innovation</i>	How important is innovation to you – why?	Would you support AGN investing in innovation projects (\$1 per annum average)?	Do you support AGN's proposal to invest in innovation projects – why?
<i>Metering</i>	Should AGN be doing something different when it comes to your meter and meter reading?	Do you have any questions or feedback about AGN's proposal for fee-for-service smart meters?	N/A
<i>Vulnerable Customer Assistance</i>	N/A	Do you have any ideas or suggestions about how AGN can support vulnerable customers?	Do you support AGN's proposal to establish a vulnerable customer assistance program – why?
<i>Other</i>	N/A	N/A	Do you support AGN's proposal to establish a Community Education Centre – why?

<sup>1</sup> Questions have been re-worded for brevity and clarity.

Note: all proposed price increases represented were based on average residential bills.

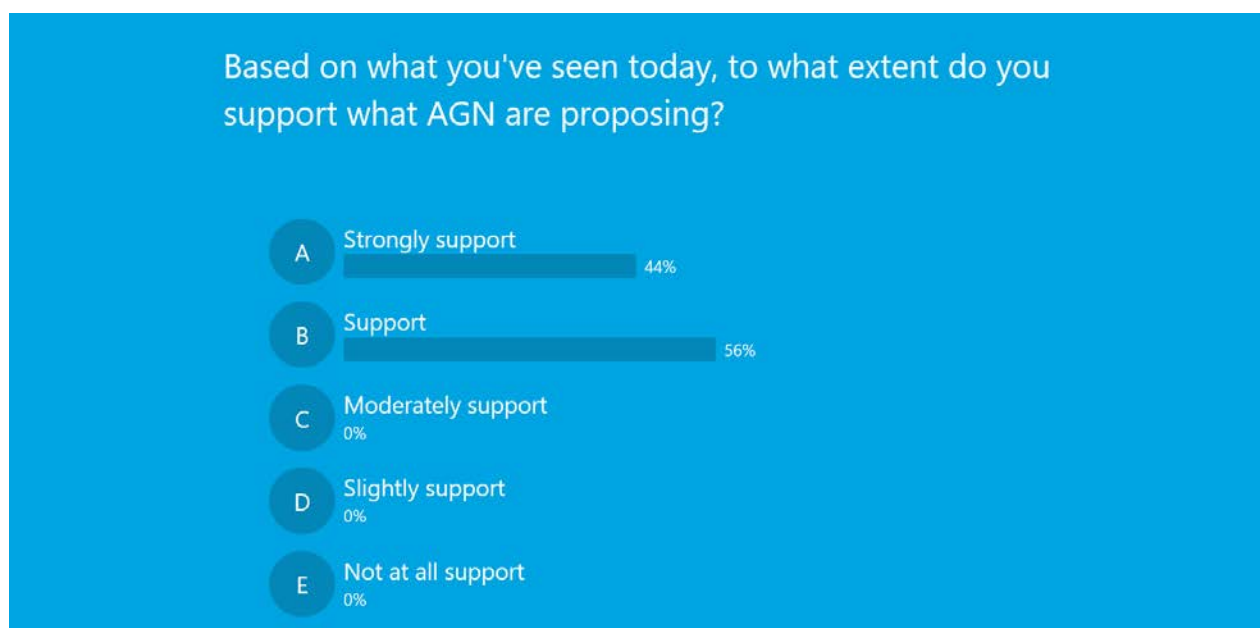
# A range of engagement techniques were used to elicit insight

## A range of engagement techniques were used across the duration of the consultation program to elicit insight and enable full participation from every attendee.

Our highly structured and strongly facilitated approach included:

- individual worksheets (refer Appendix D) – to assess individual perceptions and response without influence from other participants
- small group discussion – to enable sharing of ideas between customers, thereby enabling active participation from different personality types
- making technical AGN/APA staff available to answer questions – to explain and explore topics in further depth where customers requested it, building credibility and fostering trust
- facilitated whole group questions and discussion – to demonstrate transparency, particularly on topics of key importance and sensitivity (e.g. price)
- anonymous live online polling – to rapidly assess group sentiment and feedback in the room, thereby allowing AGN to pivot and respond to customer interests
- highly visual displays – seeking feedback and commentary on visualised versions of the Draft Plan, and sharing banners, maps and brochures, to make activities more accessible to a full range of abilities.

## Sample view of the live polling tool in use – participants’ responses were made visible on screen once all votes had been submitted.



Note: this data relates to a single workshop only and is provided for illustrative purposes.

# A range of engagement techniques were used to elicit insight

AGN also made available a range of tools to encourage broader community involvement, including:

- simple videos to explain the regulatory building blocks and show firsthand footage from customer workshops
- active promotion of Gas Matters
- making available pre-paid postcards for customers to return with general feedback (including sharing with members of the community).

Repeat engagement with the same customer cohort enabled customers to make more informed decisions, as customer knowledge and understanding was built over time. The size of workshop groups (typically 10-25) was designed to enable deeper conversation and provide opportunity for all attendees to fully participate in two-way dialogue.

Everything explained in detail so you know you're not missing any information

[I liked the] use of phone to answer questions

[the thing I liked most was] The interactive nature of the sessions

# Our findings were progressively deepened and refined

## Across the course of three engagement phases, AGN developed additional insight into customer priorities and preferences and used this to inform the development of draft plans.

An overview of the findings from each phase is below, with further detail available in Appendix B.

01

Phase 1 identified price and affordability, supply reliability and public safety as the top priorities for customers. Environmental sustainability also featured highly, with 1 out of 4 customers identifying it as a top one or two priority.

Customers also valued timely, responsive customer service and expressed a desire for multichannel engagement with AGN, including across digital channels such as web, email and SMS.

Many were concerned about environmental factors, with a high level of interest in AGN's Hydrogen Park SA project and other opportunities for reducing carbon emissions. While some would like smart meters to monitor gas usage in real time, they were satisfied with the current meter reading process.

02

Phase 2 found that customers trust AGN's safety and reliability record and support its approach to maintaining the current, high standards.

Customers wanted to see lower carbon emissions and are comfortable with additional expenditure resulting in a bill increase to enable AGN to innovate.

Customers expect digital communications but are sensitive to price, and prefer online services over SMS.

03

Customers in Phase 3 were very positive about AGN's Draft Plan and the customer input used to create it.

Customers supported the proposed price cut and AGN's proposals for safety, reliability, and further investment in digital communication services.

There were high levels of support for further investment in the special interest topics of supporting vulnerable customers, lowering carbon emissions, and investing in innovation, with mixed support for establishing a community education centre.



# Key Insights



# Re-cap: we have identified seven key customer insights

**As presented in the Executive Summary, the below insights are drawn from all three phases of customer consultation and engagement.**

A summary of the key findings for each phase of consultation is available in Appendix B.

## *Page*

- 21-23 Customers support AGN's draft plan and investment proposals.** Customers were particularly supportive of the proposed price cut, and were pleased to see that their feedback had been considered in AGN's proposals.
- 24-26 AGN is trusted for its delivery of safe, reliable gas.** Customers recognise the high priority placed on safety and reliability, and trust AGN's record of high standards in maintaining public safety and ensuring that gas is reliable.
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- 37-38 Education is important, but it must be accessible for everyone.** Some customers are supportive of AGN's proposal to establish a Community Education Centre; however, there were questions around how it would benefit all South Australians (e.g. those in regional areas).
- 39-40 Supporting vulnerable customers is responsible business.** Customers support AGN investing in a vulnerable customer assistance program, with some questions raised relating to ensuring the funding and delivery model is fair and equitable.

# Customers support AGN's draft plan and investment proposals

**Customers support AGN's Draft Plan, with 95.5% reporting either strong support or support.**

**Based on what you have seen today, to what extent do you support what AGN are proposing?**



Customer consultation on AGN's Draft Plan was extensive, with detailed information provided about:

- Price – including the impact of the proposed price cut on customer bills
- Reliability of supply and public safety – including AGN's mains replacement program and commitments to responding to emergency leaks
- Customer experience – including customer satisfaction targets, smart meter program, and investment in digital communication channels
- Sustainability – including the Hydrogen Park SA project.

AGN explained the composition of typical residential and business gas bills, of which distribution charges comprise approximately 50%. Customers, then, clearly understood the impacts of their feedback in context of AGN's proposed price cut. Throughout all consultation, prices presented to customers were represented both as total CapEx/OpEx budget (e.g. \$250m) and in terms of impact on the average residential customer's bill (e.g. \$2.50 per year). This helped to 'make it real' for customers when considering options and sharing feedback.

AGN presented its forecast of a 8% price cut in year 1 (before inflation), followed by increases of 1.2% per year (plus inflation) from 1 July 2021, and explained the real-world impacts of this in dollar figures on average residential, business and industrial bills. Throughout the consultation process, customers were made aware of the instances when their feedback could impact on price outcomes, to ensure transparency and clarity.

# Customers support AGN's draft plan and investment proposals

Printed bound copies of the Draft Plan were made available to all customer participants, with many customers taking a copy away for further review and consideration. Customers were also invited to join Gas Matters, AGN's online engagement platform, to remain engaged throughout the process and for access to all public reports.

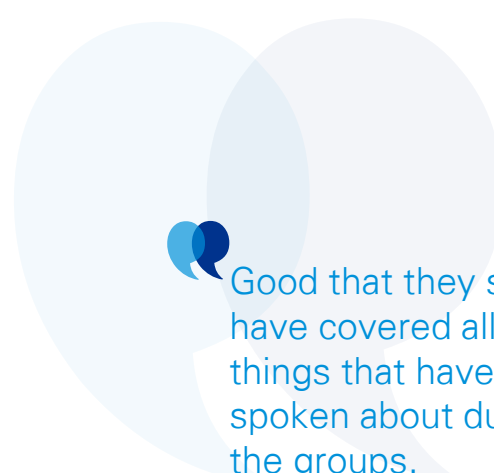
Customers were particularly supportive of the proposed 8% price reduction (before inflation) from July 2021, and were interested in learning more about the pricing rationale and potential billing impacts. Price and affordability is a key priority for customers, with 85% ranking it as a top-three priority, alongside reliability and public safety.

When discussing price, customers were interested in:

- understanding the rationale behind AGN's proposed approach to a 'curved' price cut rather than a flat reduction across the five-year period; once this was explained, customers were broadly supportive
- the potential long-term price impacts of a move towards renewable gas
- the impact of AGN's price reduction on their home or business gas bill, including whether, when and how the retailer would pass this on.



Price reduction is a good news story particularly with no drop in performance levels



Good that they seem to have covered all of the things that have been spoken about during the groups.



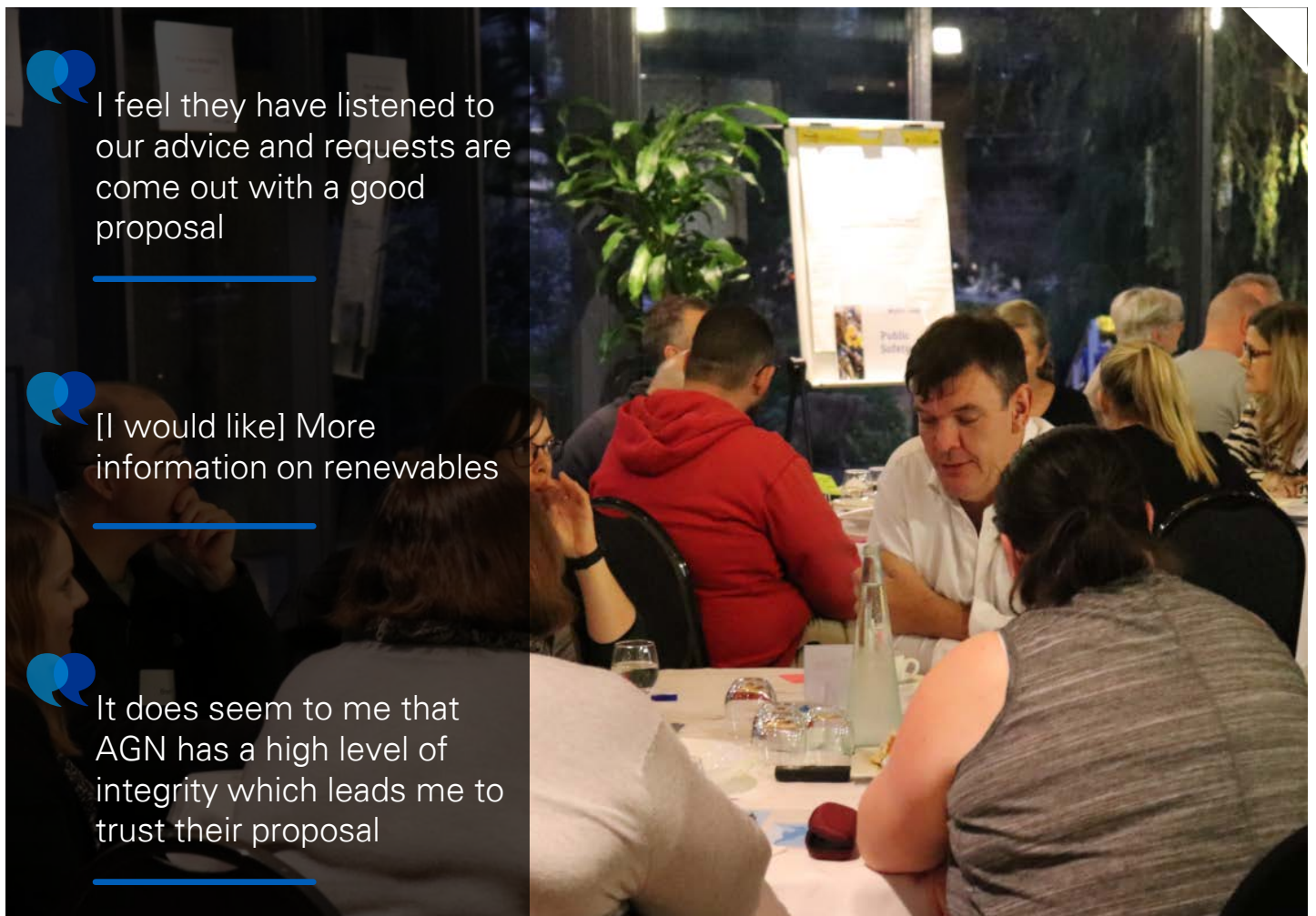
# Customers support AGN's draft plan and investment proposals

**Customers were pleased to see that their feedback had been considered in AGN's proposals, and commented on the degree of trust for and integrity displayed by AGN in undertaking a phased approach to engagement.**

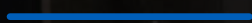
Throughout the consultation process, customers were made aware of when their feedback could impact on price outcomes, to ensure they were able to make informed contributions.

Almost one in four customers explicitly attributed their support of AGN's proposed approach to AGN's genuine commitment to transparently engaging with the community.

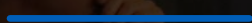
Customers were also positive about AGN's approach to lowering carbon emissions and exploring options for environmentally sustainable gas and cited this as a reason for supporting the Draft Plan.



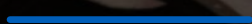
I feel they have listened to our advice and requests are come out with a good proposal



[I would like] More information on renewables



It does seem to me that AGN has a high level of integrity which leads me to trust their proposal



# AGN is trusted for its delivery of safe, reliable gas

## Customers trust AGN's track record in delivering high levels of safety and reliability, and are satisfied with the proposed approach to maintain current levels.

It was communicated to customers that the majority of AGN's Draft Plan expenditure related to maintaining high levels of safe, reliable gas. AGN shared their performance targets and current performance outcomes in relation to safety, including attending emergency gas leaks within 2 hours 97.5% of the time, repairing high priority leaks to time more than 98% of the time, and answering emergency calls about gas leaks in less than 10 seconds more than 90% of the time.

While some customers in regional areas were initially unsure whether AGN's performance targets applied outside of metropolitan Adelaide, they were reassured by AGN's commitment to the same standards regardless of geography.

AGN shared that, on average, customers experience an outage only once every 40 years, with fewer than 300 customers per year affected by outages over the previous five-year period, and an average outage time of less than 4.5 hours.

AGN presented detailed information on the rationale for expanding the mains replacement program to replace a further 860km of mains in the 2021-2026 period, and the role this plays in maintaining a network that is both safe and reliable.

In Phase 1, customers were asked to share their views on what safety and reliability meant to them by participating in small group discussion and individually writing commentary. In Phases 2 and 3, customers were asked whether they support AGN's proposal to maintain the current standards of safety and reliability.



# AGN is trusted for its delivery of safe, reliable gas

## Customers trust AGN's track record in delivering high levels of safety and reliability, and are satisfied with the proposed approach to maintain current levels.

Alongside price and affordability, safety and reliability are high priorities for customers. Customers tend to see these as minimum expectations, with a strong degree of community trust built in AGN's demonstrated history of delivering on high standards of safety and reliability.

Although acknowledged to be rare, customers seek timely communication about outages, and particularly support the use of digital communication channels for this purpose. Many customers could not recall an outage or service interruption, and some customers reflected that while occasional outages are to be expected, where issues had been experienced they were typically rapidly addressed.

Having a reliable gas supply is particularly critical for business customers, for whom outages can have direct financial impacts. The few customers who had experienced a gas leak shared positive experiences of rapid resolution and strong customer experience throughout the process of reporting and resolving the safety concern.



# AGN is trusted for its delivery of safe, reliable gas

## What do customers want to know about?

Customers are interested in learning about the mains replacement program AGN is running, with questions such as:

- How long do the new pipes last?
- Will the new pipes require less maintenance?
- What impact will the move towards hydrogen and renewable gas have on the reliability and safety of pipes?

Some customers were interested in the supply chain and lifecycle of the mains, with questions about:

- the origin of pipes (whether manufactured in Australia or elsewhere)
- the material of pipes (and their impact on environmental outcomes)
- the sustainability of pipes (how pipes were recycled or disposed of at end of life).

## What communication channels are most important?

Customers expect timely communication in the event of an outage, whether planned or unplanned. Digital channels prove important in delivering time-sensitive information, with almost 3 in 4 customers considering being able to access a map showing current outages to be important or very important.

Being able to sign up for emails about outages is important or very important to 60% of customers. Email, SMS, and social media are among the most preferred communication channels for receiving updates during planned and unplanned outages, reflecting the time-sensitive nature of the topic.

I have a lot of confidence in the level of safety currently and moving forward. I feel like you need to [communicate] that you recycle the old pipes and repurpose the plastic.

Reliability means not needing to think about running out, or what happens if my gas doesn't work

# Digital channels are an important avenue of customer communication

## **AGN explored a range of topics to uncover what is most important to customers with regards to customer experience, service, and communication.**

In Phase 1, AGN asked what was most important to customers in regards to customer service, and why. Customers told AGN that they expect timely customer service by knowledgeable staff – and that they expect those staff to be empathic and demonstrate an understanding of their circumstances. They expect AGN to make things easy for them and prioritise effective problem solving and quick issue resolution.

In Phases 2 and 3, AGN shared their current customer satisfaction scores, which on average for 2018 were 8/10, and explained the channels through which customers can currently contact AGN, including through the AGN website, over the phone, or by mail.

Early in the process, customers nominated their preferred communication channels for different types of communication with AGN. Because customers indicated a preference for digital channels for some types of interactions, AGN provided costed options for online and SMS services in Phase 2.

Customers preferred the online, lower cost option and in Phase 3 AGN invited customers to share their views on the importance of various types of digital functionality, such as:

- enhanced digital self-service options (e.g. lodging online enquiries)
- access to real-time updates (e.g. email notifications for upcoming meter reads)
- more proactive communication (e.g. notification when outages occur).

Overall, customers seek digital options, but not at the expense of non-digital services. For emergencies, for example, customers prefer to contact AGN by phone, as it is immediate and provides confirmation of service being provided.

Digital age - the more online the better. We are nearly all time poor 👍

Quicker, easier access to info 24/7. Can be accessed from phone, laptop etc. Info can be updated in real time online.

# Digital channels are an important avenue of customer communication

## Customers support AGN's proposal to invest in digital communication and customer services, with varying individual preferences for specific functionality.

They expect AGN's communication channels and service options to reflect broader market trends, which increasingly means offering digital communication channels.

Customers expressed interest in increased accessibility of services offered by self-service models, such as through increased digital processes and some web chat options. When designing digital services, customers are interested in channels that are simple and visual (e.g. a map showing outages), tools that enable them to plan ahead and manage their time (e.g. notifications of upcoming maintenance) and opt-in communication options (e.g. ability to sign up online to receive email notifications of outages or maintenance works).

It was explained to customers that AGN has limited access to customer contact data, and an AGN subject matter expert described the technological capabilities required to deliver the level of customer experience preferred by participants.

While supportive of AGN moving to offer more digital services, customers recognise the risk of over-capitalising in this investment, acknowledging that interactions with AGN are typically infrequent.



Need to move forward with the technology and times, not a lot of people have time for phone calls.

[I] don't really expect to have a lot of interaction with AGN

# Digital channels are an important avenue of customer communication

## Different channels for different purposes

While customers continue to consider phone an important avenue of contact, customers are interested in online options for engaging with AGN on topics of:

- outages (planned and unplanned)
- maintenance and works, including mains replacement
- establishing new gas connections
- raising queries about metering
- submitting feedback to AGN.

Although customers are interested in SMS communication services, the majority do not consider it represents value for money in comparison for services that can be provided through online channels.

## Different customer segments may prefer different channels

Participants in the dedicated culturally and linguistically diverse (CALD) workshops rated the following functionality as less important than other participants:

- more of the gas connection process being online
- signing up for email notifications ahead of meter reads
- engaging with AGN via live web chat.

By and large, customers in metropolitan Adelaide and those in regional areas reported similar levels of support for specific types of online functionality, with the exception that:

- those in metropolitan Adelaide were more likely to say that the ability to sign up online to receive email notifications of outages or maintenance works was very important
- those in metropolitan Adelaide were more likely to say that the ability to sign up online to receive email notifications of upcoming meter reads was very important
- those in regional locations were more likely to say that having access to an online map that shows current outages was very important.

## Customers want to maintain existing service

Some customers are concerned that offering an increased range of services digitally will mean a diminution of non-digital services. While no reductions to current service levels or channels are proposed by AGN, proactively addressing these concerns will be a key success factor in any implementation of digital services.

# Digital channels are an important avenue of customer communication



“Want to ensure that if you do more online stuff that there is still option to call and speak to a human and not a long waiting period”

“I think it is an expectation in this day and age that business have a large online presence and you can do most things yourself online at a time that suits you yourself”



# Customer views on specific digital services vary

The below table presents customers' commentary on each aspect of proposed digital communications functionality.

Refer Appendix C (from page 58) for detailed breakdown of customer preferences.

Functionality	Support <sup>^</sup>	Customer commentary: Themes
<b>A map on our website that shows current outages</b>	73%	<ul style="list-style-type: none"> <li>• This is considered to represent an improved service offering</li> <li>• Customers appreciate information being provided visually</li> <li>• Customers appreciate the self-service nature of the function and the ability to check on family members' service provision</li> <li>• Some customers consider that this may not be required due to highly infrequent nature of gas outages</li> </ul>
<b>A map on our website that shows current and planned works</b>	68%	<ul style="list-style-type: none"> <li>• Customers report this would be useful to enable customers to make plans around planned works – particularly for business customers</li> <li>• Some customers consider that this may not be necessary or useful as customers likely to require this very infrequently</li> </ul>
<b>Ability to sign up online to receive email notifications of outages or maintenance works</b>	60%	<ul style="list-style-type: none"> <li>• Customers consider this generally helpful, and customers appreciate the proactive nature of communication</li> <li>• Customers see value in having the option to opt-in</li> </ul>
<b>A map on our website that shows where the gas network is available</b>	55%	<ul style="list-style-type: none"> <li>• Customers see the value of this functionality when considering buying, building, or moving house</li> <li>• Some customers do not see this as relevant to them</li> </ul>
<b>Ability to do more parts of the connection process online</b>	48%	<ul style="list-style-type: none"> <li>• Some customers consider this a more efficient, effective process</li> <li>• Customers appreciate the self-service option and increased flexibility (e.g. being able to perform process out of business hours)</li> <li>• For some customers, this is seen as a 'nice to have' but not essential</li> <li>• Not seen as value for money by some customers due to being a low volume transaction</li> </ul>

Table continued on next page

<sup>^</sup>Percentage of customers for whom this is Important or Very Important



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# Customer views on specific digital services vary

Functionality	Support <sup>^</sup>	Customer commentary: Themes
<b>Ability to submit meter self-read data online</b>	43%	<ul style="list-style-type: none"> <li>Some customers appreciate the option for increased personal control and self-service</li> <li>Some customers are concerned about implementation feasibility (e.g. how the meter read would be verified, or whether customers are equipped to perform self-reads)</li> <li>Some customers have concerns about the impact on meter reader jobs</li> <li>This is not a priority for some customers as current meter reading process is a positive experience</li> </ul>
<b>Ability to sign up online to receive email notifications of upcoming meter reads</b>	43%	<ul style="list-style-type: none"> <li>This is not a priority for some customers as current meter reading process is a positive experience</li> <li>This is considered generally helpful, with customers appreciating increased autonomy and ability to plan accordingly (e.g. to be present to restrain pets)</li> <li>Some customers would like to use this service to inform their budgeting and money management</li> </ul>
<b>Engage with AGN via live web chat</b>	37%	<ul style="list-style-type: none"> <li>This is considered more convenient than phone by some customers, particularly for simple enquiries that can be easily resolved</li> <li>Customers perceive that this reduces call wait times and be more convenient for after-hours contact</li> <li>This is seen as irrelevant by some customers, either because they prefer other contact channels (e.g. phone) or because the need to contact AGN is highly infrequent and the investment case is therefore not perceived as value for money</li> </ul>

<sup>^</sup>Percentage of customers for whom this is Important or Very Important



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# Environmental sustainability is a high priority for customers

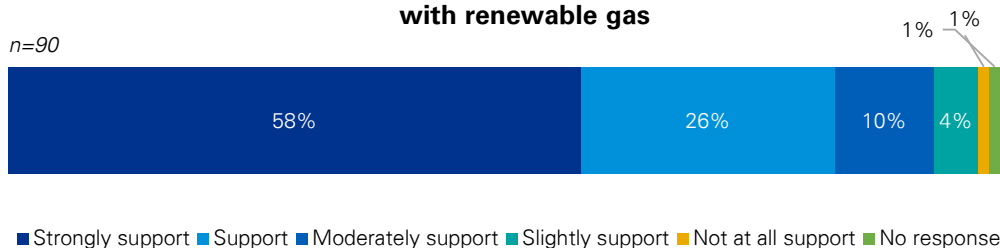
## Customers consider lowering carbon emissions to be a high priority and there are high levels of support for AGN replacing lost gas (UAFG) with renewable gas.

Almost 9 in 10 (87%) customers reported that finding ways to lower carbon emissions is very or extremely important to them, and most expect AGN to take action to proactively reduce its environmental footprint.

Customers support AGN replacing lost gas with renewable gas, with 84% of respondents either supportive or strongly supportive. A further 10% were moderately supportive.

Small cost to us, quite a good significant impact on environment, economy, etc.

### Support for reducing carbon emissions by replacing lost gas with renewable gas



In response to 84% of customers in Phase 2 requesting AGN to pursue more opportunities to lower carbon emissions further, AGN developed and presented a proposal to replace 'lost gas' (UAFG) with renewable gas at an additional \$1.50-\$5.50 per annum (on an average residential bill). AGN sought customer feedback on customers' degree of support for this initiative, with options ranging from replacing from 20% up to 100% of lost gas with renewable gas (Hydrogen or biogas).

This proposal was strongly supported or supported by 84% of customers, who gave a range of reasons for their support of this proposal including:

- climate change is a pressing, important issue that requires action
- being willing and supportive of contributing to the environment and 'helping the planet'
- the proposal representing good value for money, with minimal price impact for potentially significant benefits
- the importance of contributing to a better outcome for future generations.

We as customers need to be accountable for emissions

I think this would be a good investment

# Environmental sustainability is a high priority for customers

## Customers are very interested in the actions AGN is taking to reduce carbon emissions and contribute to environmental sustainability.

Early customer consultation revealed considerable interest in how AGN contributes to environmental sustainability initiatives. Customers were interested in hearing from AGN's subject matter experts in relation to the current Hydrogen Park SA initiative, and further plans to reduce carbon emissions.

In addition to reducing the carbon emissions associated with gas itself, customers were interested in the environmental impacts of the entirety of AGN's business, including its supply chain and the disposal of pipes.

Carbon emissions is a major issue. Needs to be looked at on many levels



I think at present I am happy with what is in place.

Everything that can be done to reduce emissions is important

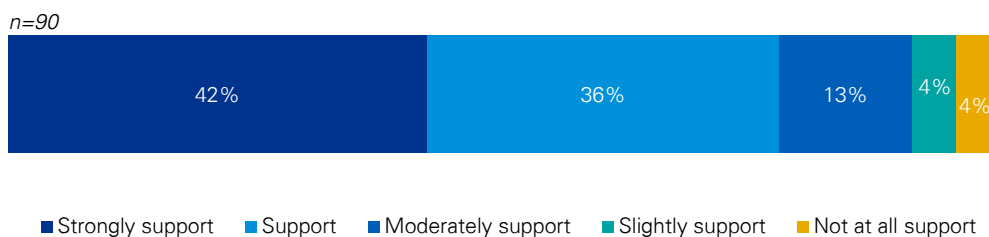
# Customers support AGN investing in innovation

## Customers support AGN investing in innovation (through an Innovation Allowance), though some customers questioned how this could or should be funded.

Based on customer feedback, AGN prepared a detailed proposal for an investment fund of \$500,000-\$1m per annum where there is potential to improve customer service, efficiency or sustainability.

Almost 8 in 10 customers are either supportive or strongly supportive of AGN investing in innovation, with a small proportion (8%) seeing this as not at all or slightly important.

### Support for access to an Innovation Fund (Innovation Allowance) to invest in innovation projects



The topic of investing in innovation was discussed at each phase of consultation, with customers expressing interest in potential operational innovations such as inserting micro cameras into pipes or exploring innovations related to environmental sustainability.

Across the three phases, customers were consistently supportive of AGN investing into innovation projects, primarily citing the importance of innovation in contributing to finding better, more effective and more efficient ways of working as the reason for their support.

Customers were comfortable with the notion that investing in innovation is about trialling new solutions where the outcome needs to be tested before determining if the solution can deliver benefits for customers and the business.



It's important to keep searching for more innovative ways to manage gas



Always good to be innovative & leader in SA/Australia



[It's important] to keep looking for better ways to do things

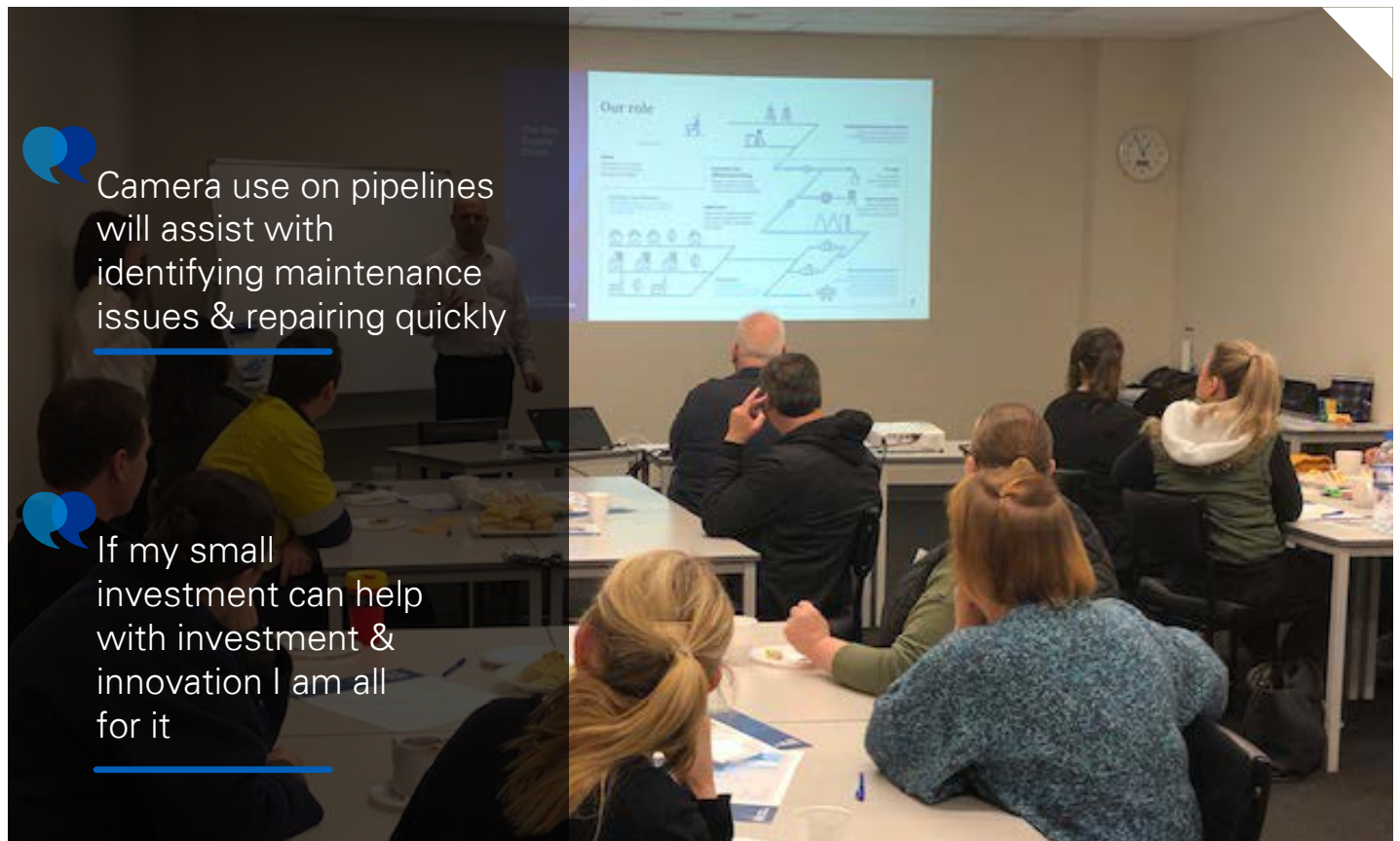
# Customers support AGN investing in innovation

## Innovation scheme design

Although customers were supportive of AGN investing in innovation, a number of customers suggested working together with industry, research institutions, and government to deliver innovation projects. Approximately 1 in 10 respondents either suggested funding sources could be expanded to include whole or part funding by government as well as AGN, or commented that while innovation is deemed important, they did not believe AGN should pass on the cost of innovation to customers. A small number of customers also suggested that contributing to an innovation scheme be optional on customer bills.

Would be good to use university students for innovation developments

This is the way forward to keep this industry working toward future proofing the industry and community



Camera use on pipelines will assist with identifying maintenance issues & repairing quickly

If my small investment can help with investment & innovation I am all for it

# Education is important, but it must be accessible for everyone

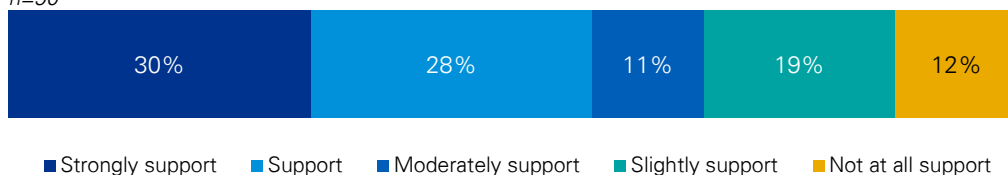
## Some customers are supportive of AGN's proposal to establish a Community Education Centre; however, there were questions around how it would benefit all South Australians (e.g. those in regional areas).

Early phases of the consultation process found a need for education about the gas supply chain and renewable gas pilot at Hydrogen Park SA. It also found concern about sustainability and support for vulnerable customers.

AGN proposed a Community Education Centre, which approximately 1 in 2 customers strongly support or support – especially with measures to ensure equal access for regional customers.

### Support for a publicly available Community Education Centre

n=90



AGN's proposal was for a Community Education Centre which would:

- be open to the public, located next to Hydrogen Park SA
- have an educational focus on renewables, hydrogen, biogas, natural gas, gas safety and gas appliances
- potentially include meeting and event spaces
- offer community programs and events
- deliver a schools education program including regional outreach
- offer site tours of the Hydrogen Park SA facility.

Customers were informed that the annual bill impact for an average residential customer was estimated to be \$1.50.

While customers were interested in the proposal and approximately half of participants were actively supportive, there were some concerns that the Centre would benefit some customers more than others. This concern was raised largely by customers in regional areas, who sought to ensure equitable access.

# Education is important, but it must be accessible for everyone

## Customers who were most supportive of establishing the Community Education Centre cited the importance of educating children and the community more broadly as the primary reason for their support.

Several respondents also noted that the price represented good value for money.

Customers who were less supportive of establishing the Centre were concerned about what benefits the Centre would deliver, and particularly in regards to whether the Centre would be accessible for regional communities.

Customers made a range of suggestions to build on the proposal, including:

- considering alternative funding or mixed funding sources – such as government subsidy, or applying school excursion fees
- de-centralising the program away from a physical building, and instead delivering a school-based learning program
- prioritising digital educational offerings through web-based services
- leveraging emerging technologies to deliver virtual reality tours of Hydrogen Park SA or virtual 'fly throughs'
- ensuring that regional and rural communities are supported through outreach programs.

Good idea for schools, may be better & cheaper to go to schools rather than have a dedicated centre. A website would be better.

It starts with education. This could be great for visual people. Come and see what it is, great for VET in schools.

Not interested, should be able to find out online

Very important for school students to learn about renewables. If people don't want to pay, an excursion fee can apply

The level of access for a physical centre would not be broad enough to benefit the outlay



# Supporting vulnerable customers is responsible business

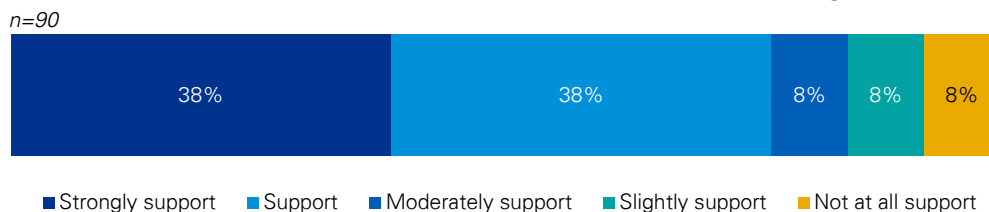
## Customers support AGN investing in a vulnerable customer assistance program, with some questions raised relating to ensuring the funding and delivery model is fair and equitable.

Initial consultation with customers revealed an interest in supporting vulnerable members of the community, and the role of AGN in doing so. Customers raised concepts of corporate social responsibility and community support, referencing customer cohorts such as those experiencing financial instability and pensioners on reduced incomes.

AGN used an innovative Design Thinking process which leverages blue-sky thinking and problem-solving to co-design assistance for vulnerable customers. Stakeholders with deep experience and expertise in working with vulnerable individuals and communities were involved in this process, generating a range of ideas of how AGN might support vulnerable customers.

AGN then tested customers' support for a package of support for vulnerable customers, ranging from improved training to a priority services register with customers. This received broad support, with 76% of participants either supportive or strongly supportive.

### Support for a Vulnerable Customer Assistance Program



The primary reason given by those supporting AGN's proposed approach was an attribution that supporting vulnerable people is simply 'the right thing to do'.

**This is possibly the most important option. We are obliged to take care of the vulnerable / elderly**

**We should all help those who can't help themselves**

**Yes. Yes. Yes! You don't know what you don't know. There are so many people out there without jobs, with multigenerational dysfunction & poverty. You can tell a lot about a community, in how they treat their vulnerable people!**

# Supporting vulnerable customers is responsible business

## Implementation Considerations

Some customers who supported the proposal expressed concerns with implementation, and a desire for further feasibility testing and detailed planning to be undertaken prior to implementation. This related largely to concerns with determining eligibility, and risks associated with potential abuse or misuse of the system.

Important to help those that are vulnerable but unsure how this could work

## Role and responsibility

Those who moderately or slightly supported the proposal primarily cited concerns that supporting vulnerable customers was not AGN's responsibility. These customers instead recognised that support is necessary, but believed that it should be provided by other services such as government agencies and not-for-profit organisations.

I do see this as a need in the community but I think there is a safety net of services available to help in this area

I would support it, however, I think it should be optional to those who don't feel they can afford it. There may be an option for people to 'pledge' larger amounts per year





# Spotlight on Vulnerable Customers

A silhouette of a person stands on a dark horizon, looking up at a vast, starry sky. The sky transitions from a deep purple on the left to a bright, golden-yellow on the right, with numerous stars and nebulae visible. The overall mood is contemplative and hopeful.

04

# Collaborating on solutions for vulnerable customers

**As part of AGN's commitment to deeply engaging with customers, the organisation undertook a co-design process with key stakeholders. This reflected a desire to move to what is defined under the IAP2 Spectrum of Public Participation as the *Collaboration* stage of engagement.**

This is about partnering with stakeholders to design and agree on decisions. This turns traditional consultation methods on their heads by engaging stakeholders from the ground-up rather than asking them to comment on plans already formed.

Based on customer feedback, the chosen topic was: ***"How might AGN better support vulnerable customers – now and in the future?"***

## About Co-design

Co-design is a process used to help organisations collaborate with stakeholders and customers on key decisions or service design. While AGN retains decision-making authority, co-design entails a shift towards sharing influence and control over outcomes.

Benefits include:

- leveraging a participants' expertise to generate high-quality ideas
- inclusive decision-making, incorporating diverse viewpoints
- fostering acceptance and buy-in through a 'no surprises' approach
- improved understanding of stakeholder and customer needs and expectations
- more efficient decision-making with opportunity for debate and discussion along the way.

## Participants

Three 90-minute workshops were held over three weeks during November 2019. Participants were selected based on their expertise and experience in working with vulnerable cohorts, some having done so for their entire career. Details of attendance are available in the Co-design Report.

Observers from AGN and the Australian Energy Regulator's Consumer Challenge Panel were present at workshops but did not participate.

## Detailed Information

A full account of the process and detailed outcomes is available in the *Co-design Report*, at [www.gasmatters.agig.com.au](http://www.gasmatters.agig.com.au).



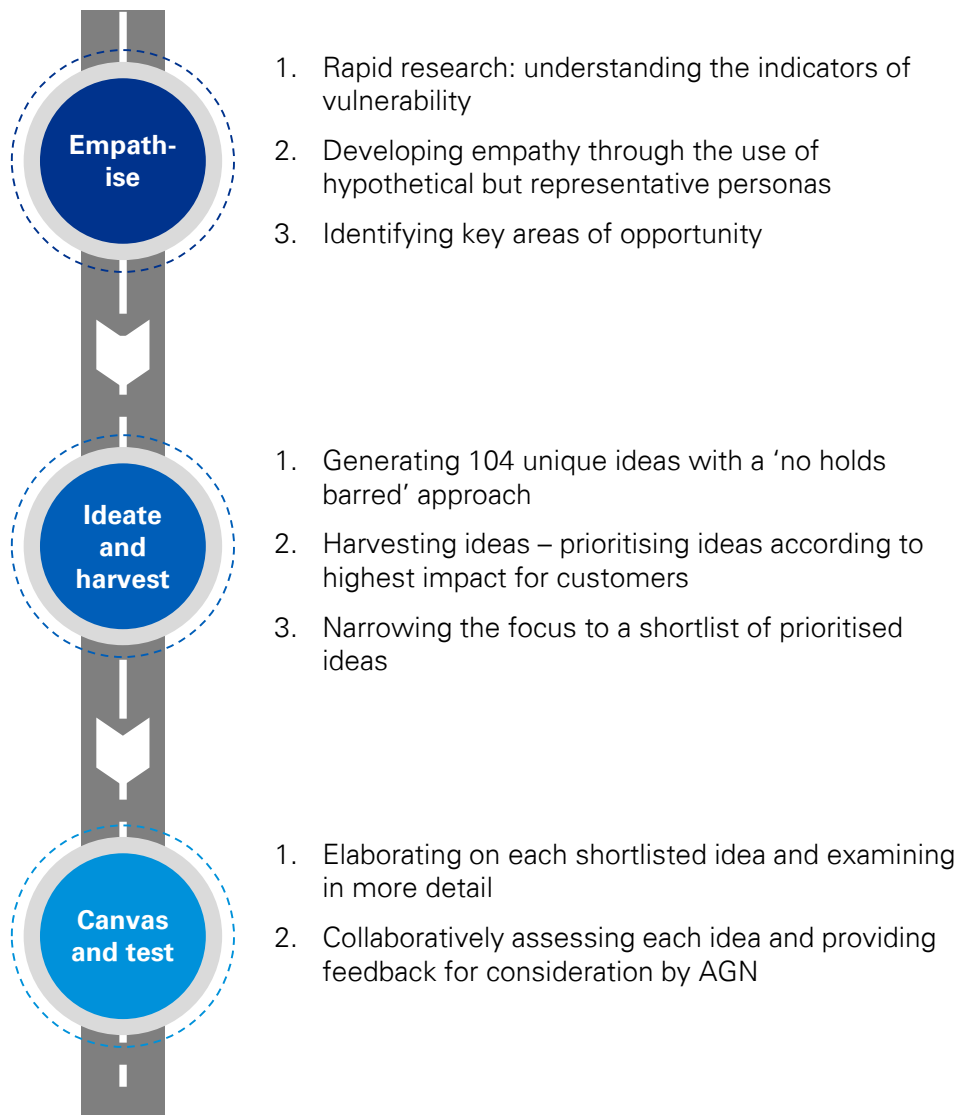
# Solutions centred on understanding real human needs

**This co-design process leveraged the practice of Design Thinking, which is a creative and innovative problem-solving approach that prioritises the needs, expectations and desires of customers.**

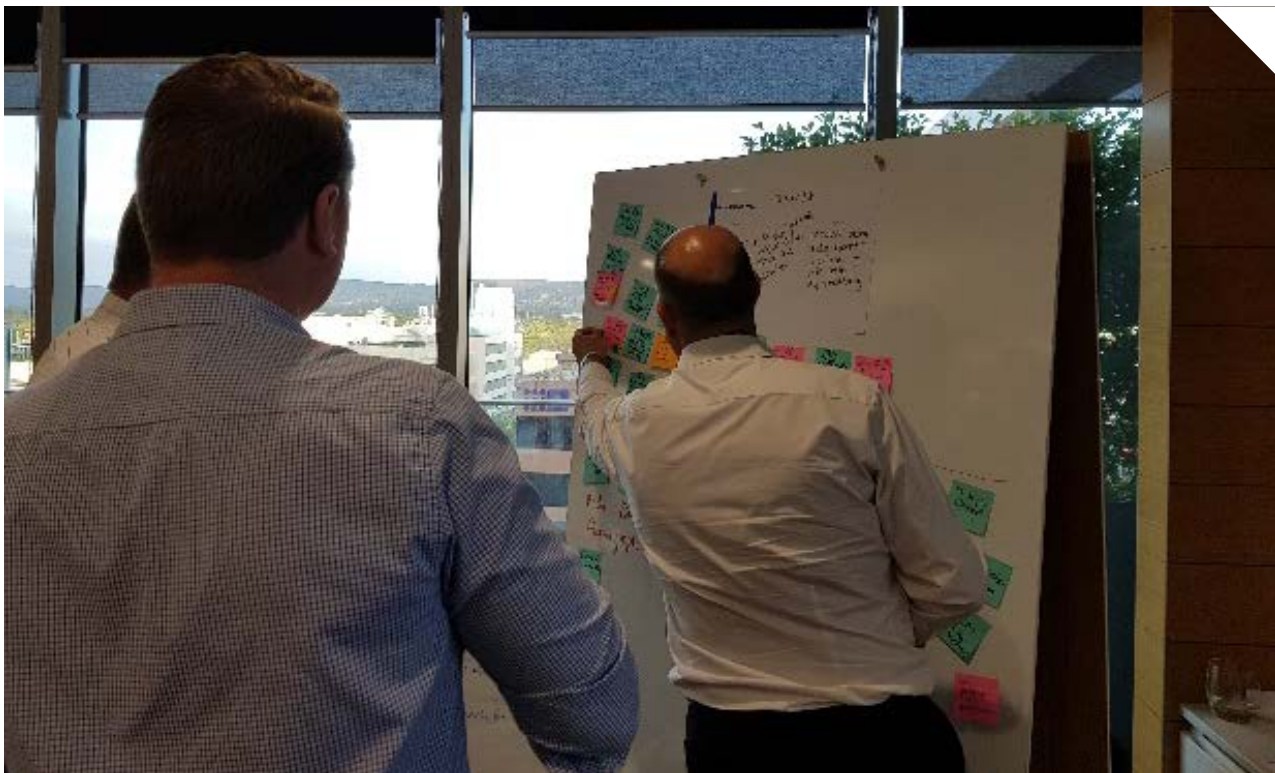
Rather than starting with ideas for feasibility ('is it technically achievable?') or viability ('is it financially achievable?'), Design Thinking focuses on responding to human needs ('will people want/use/need it?'). It has three clear phases: empathising, ideating (generating ideas), and testing.

Participants were asked to focus solely on what vulnerable customers want and need in the first instance. Ideas were later tested by AGN for feasibility and viability. The Design Thinking-led approach is about generating a high volume of innovative ideas, leveraging the experience of participants.

The process undertaken is illustrated below.



# AGN and other participants worked side-by-side



# AGN will continue to work with stakeholders

**As well as generating a range of ideas to support vulnerable customers – from developing a dedicated vulnerable customers unit to engaging with multicultural communities – the co-design process was inherently valuable.**

The process helped to generate greater understanding of vulnerable customers, highlighted the importance of being proactive, and demonstrated the benefit of working collaboratively with stakeholders to generate new insights and solutions.

AGN will continue to work with stakeholders to progress ideas where appropriate.

## Emerging Themes

The following key themes emerged as priorities for AGN from the co-design process:

- understanding customers better
- doing more in the community through public engagement, education, and outreach programs
- being proactive in situations where customers are vulnerable
- being present in the affordability debate.

## Key Ideas

Participants recommended progressing with consideration of the following ideas:

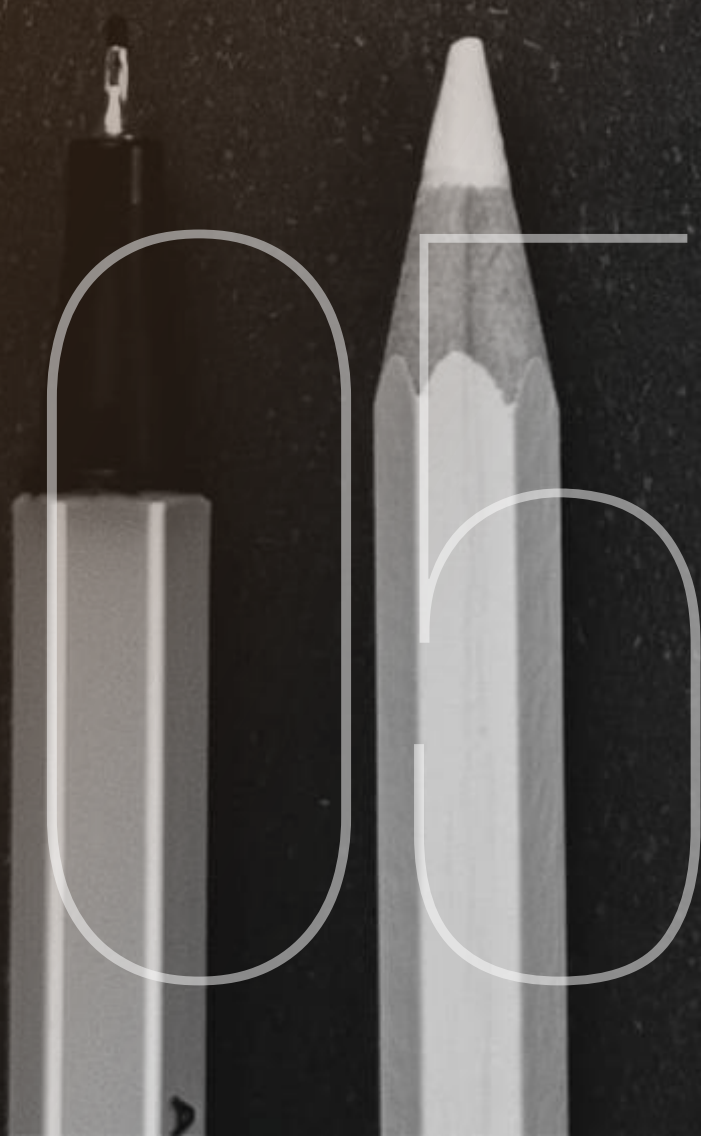
- establishing an education and public engagement facility and program
- supporting vulnerable customers to access more efficient appliances
- improving engagement with multicultural communities
- establishing a consistent AGN contact person or team for vulnerable customers
- training staff to engage with empathy and sensitivity
- establishing a dedicated vulnerable customers unit or role within AGN.

Participants recommended reviewing the following ideas prior to pursuing further:

- working with retailers to introduce a 'pay it forward' or financial donation scheme for customers to assist vulnerable customers
- establishing a register for vulnerable customers, leveraging existing data where possible
- advocating for increasing concessions and government allowances for vulnerable customers.



# Conclusion





# Conclusion

**AGN's innovative engagement process has been valuable – not only for the ideas and understanding produced but also for the support and goodwill generated among customers. The findings and insights will continue to underpin decision-making.**

AGN has stated that it is committed to developing a Final Plan (otherwise known as an Access Arrangement) that:

- is underpinned by effective stakeholder engagement
- delivers in the long-term interests of customers
- is capable of acceptance by customers and stakeholders.

KPMG is pleased to provide this report as a key mechanism through which AGN considers customer views, input and feedback as part of its development of its Final Plan, which is due to the Australian Energy Regulator on or before 1 July 2020.

Further detail about AGN's stakeholder engagement strategy can be found [on AGN's website](#) and through AGN's stakeholder engagement platform, Gas Matters (<https://gasmatters.agig.com.au/>).





# Appendix A: Methodology



# Approach

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## **This report represents the culmination of three phases of consultation with AGN customers over a period of nine months from July 2019 through to March 2020.**

Across that period, up to 128 customers were had their say on AGN's planning process. The engagement program was designed to:

- foster community relationships and engagement, particularly in regional centres, through repeat visitation and tailoring of bespoke content to customer segments
- enable rich, deep consultation through establishing a common foundation of knowledge
- drive meaningful, genuine engagement and collaboration with customers to inform AGN's plans.

AGN's approach to stakeholder and customer consultation is multi-faceted and the consultation program documented here reflects just one component of a broader effort to consult and collaborate.

## **Workshop Design**

The three-phased approach was intentionally designed to enable customers to build a foundation of knowledge about AGN and the context in which it operates.

The approach of repeatedly engaging with the same customer cohort enabled more informed, richer discussion on topics of key importance. The size of workshop groups (10-25) was designed to enable deeper conversation and provide opportunity for all attendees to fully participate in two-way dialogue.

AGN communicated clearly throughout the engagement process how feedback would be used in the regulatory process, including that customer feedback would be used as directional input to the planning process.

While similar topics were addressed in each stage, workshop agendas were designed to be sufficiently flexible to respond to customers' interest areas and provide for deeper discussion on topics of most interest. Sufficient time was built into agendas to provide multiple opportunities for participants to raise questions, provide feedback, and share ideas for discussion.

AGN and KPMG made every effort to ensure customers were supported to attend, including:

- ensuring all venues were fully accessible
- providing financial incentive in recognition of the commitment customers made
- offering support for access such as transport and parking support.

# Approach

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## Scope and Objectives

Key objectives of the consultation workshops were to:

- explore issues of importance to customers and AGN
- validate customer feedback and ensure findings were accurate reflections of community commentary
- engage in an informed way to continue to inform and educate customers
- share information and seek feedback on AGN's current and proposed future activities.

## Engagement Techniques

A range of engagement techniques were used across the duration of the consultation program to elicit insight and enable full participation from every attendee through a range of individual and small group activities. Our highly structured and strongly facilitated approach included:

- individual worksheets (refer Appendix D) – to assess individual perceptions and response
- small group discussion – to enable sharing of ideas between customers
- making technical AGN/APA staff available to answer questions – to explain, not advocate
- facilitated whole group questions and discussion – to demonstrate transparency, particularly on topics of key importance and sensitivity (e.g. price)
- anonymous live online polling – to rapidly assess group sentiment and feedback in the room
- highly visual displays – seeking feedback and commentary on visualised versions of the Draft Plan, and sharing banners, maps and brochures.

# Workshop Schedule

## Three phases of workshops were held with customers across the course of nine months, from July 2019 through to March 2020.

For the purposes of the analysis, all locations other than metropolitan Adelaide were considered 'regional'.

Location	Customer segment	Phase 1		Phase 2		Phase 3	
		Date (2019)	No. Participants	Date (2019)	No. Participants	Date (2020)	No. Participants
<b>Adelaide</b>	Residential	29 Jul	20	23 Oct	15	18 Feb	11
<b>Adelaide</b>	Business	29 Jul	19	17 Oct	17	25 Feb	16
<b>Barossa</b>	Residential & business	7 Aug	17	22 Oct	11	11 Mar	13
<b>Pt Pirie</b>	Residential & business	8 Aug	16	21 Oct	14	10 Mar	13
<b>Mt Gambier</b>	Residential & business	12 & 22 Aug	25	29 Oct	22	5 Mar	21
<b>Adelaide</b>	Culturally and linguistically diverse	26 Aug	21	24 Oct	16	26 Feb	11
<b>Murray Bridge</b>	Culturally and linguistically diverse	27 Aug	10	28 Oct	6	3 Mar	5
<b>Total</b>			<b>128</b>		<b>101</b>		<b>90</b>

# Participants

## Recruitment

Participants were recruited through a specialist third-party provider, had nominated to participate in market research activities, and were provided a financial incentive for attending.

All participants were encouraged to continue their attendance throughout the multi-phased process. While not all attendees were able to maintain involvement throughout the process, this is attributed to a range of factors including:

- multiple competing priorities (including work, study, family commitments, and other activities)
- the nine-month timeframe over which the consultation took place, making it likely that travel and other plans would arise
- a lack of serious concerns or controversy – representing implied satisfaction with AGN’s approach
- the final phase of consultation occurring during the ‘festival period’ in Adelaide in February-March
- increasing community concern regarding Covid-19 across the final phase of consultation<sup>^</sup>.

## Non-participant attendees

Non-participant attendees varied across workshops and consultation phases, but typically included two KPMG facilitators and:

- 1-2 AGN and/or APA attendees per participant table (to provide technical information and answer customer questions)
- a small number of additional AGN observers with roles relevant to the consultation process
- 1-2 representatives from the Australian Energy Regulator’s Consumer Challenge Panel

Additionally, at least one AGN Executive was present at each workshop.

<sup>^</sup>It should be noted that no specific concerns were raised with regard to Covid-19 and that at the time of delivery, no additional health precautions were required to be in place.

# Participants

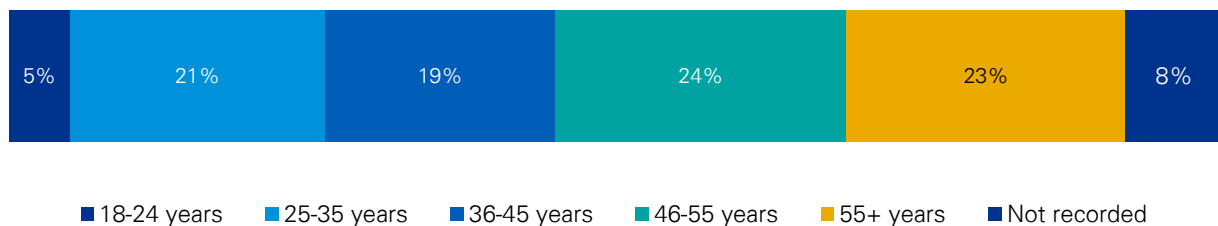
## Ensuring representation across a broad cross-section of the customer base was an important part of the design of the engagement program.

The engagement process recruited a diverse sample of participants including people of different ages, gender, income, and living arrangements.

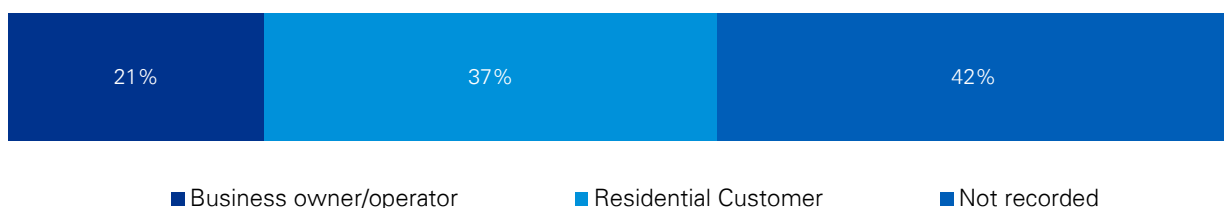
### Participant Gender



### Participant Age



### Type of AGN Customer





# Appendix B: Key findings per phase





# Key Findings per Phase

**Key findings were developed and reported at the conclusion of each phase of engagement. Detailed analysis of findings from Phase 1 and 2 are available in their respective reports, available at AGN's Gas Matters engagement portal.**

The below table presents the key findings from Phases 1, 2 and 3.

	Phase 1 Key Findings	Phase 2 Key Findings	Phase 3 Key Findings
<b>Price &amp; Affordability</b>	<ul style="list-style-type: none"> <li>While the current price of gas does not appear to be a major concern, price and affordability is the top priority for customers.</li> </ul>	<p><i>No specific findings – continued to discuss and explain pricing in context of plans.</i></p>	<ul style="list-style-type: none"> <li>Customers support AGN's Draft Plan, with 95.5% reporting either strong support or support.</li> </ul>
<b>Safety</b>	<ul style="list-style-type: none"> <li>Customers expect AGN to deliver a high level of public safety and are satisfied that this is current practice.</li> </ul>	<ul style="list-style-type: none"> <li>There is a high level of customer support for AGN's proposed approach to maintaining current safety service levels.</li> </ul>	<ul style="list-style-type: none"> <li>Customers trust AGN's track record in delivering high levels of safety and reliability, and are satisfied with the proposed approach to maintain current levels.</li> </ul>
<b>Reliability</b>	<ul style="list-style-type: none"> <li>Customers highly value an uninterrupted supply of gas in their homes and business and are satisfied with current service levels.</li> </ul>	<ul style="list-style-type: none"> <li>There is a high level of customer support for AGN's proposed approach to maintaining current reliability service levels.</li> </ul>	
<b>Customer Experience</b>	<ul style="list-style-type: none"> <li>Customers expect timely customer service by knowledgeable staff who demonstrate empathy and understanding in responding to queries or resolving issues.</li> <li>Customers would like to interact with AGN through a variety of channels. The most preferred channels for interacting were via phone, email, website and SMS/text. Customers have a strong preference to report a gas leak by phone.</li> <li>If customers are looking for information they prefer to contact AGN by phone or on the website to get an immediate answer. Where AGN should contact customers, there is a strong preference for digital communications or letter/notice.</li> </ul>	<ul style="list-style-type: none"> <li>Customers expect that digital communication channels will be increasingly available but are sensitive to price.</li> <li>Customers consider online services to be a better value investment than SMS communications.</li> <li>Customers in metropolitan Adelaide are more likely than regional customers to support investment in digital services.</li> </ul>	<ul style="list-style-type: none"> <li>Customers support AGN's proposal to invest in digital communication and customer services, with varying individual preferences for specific functionality.</li> </ul>

# Key Findings per Phase

	Phase 1 Key Findings	Phase 2 Key Findings	Phase 3 Key Findings
<b>Hydrogen / Sustainability</b>	<ul style="list-style-type: none"> <li>Customers are interested in environmental considerations and AGN's role in driving sustainable energy solutions in the future.</li> </ul>	<ul style="list-style-type: none"> <li>Customers consider lowering carbon emissions to be very important, and expect AGN to pursue more opportunities to lower carbon emissions further in addition to existing plans.</li> </ul>	<ul style="list-style-type: none"> <li>Customers consider lowering carbon emissions to be a high priority and there are high levels of support for AGN replacing lost gas (UAFG) with renewable gas.</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>Customers expressed interest in understanding more about areas of innovation such as opportunities to decarbonise gas.</li> </ul>	<ul style="list-style-type: none"> <li>Customers see the value and are willing to accept a small price increase to enable AGN to invest in innovation projects.</li> </ul>	<ul style="list-style-type: none"> <li>Customers support AGN investing in innovation (through an Innovation Allowance), though some customers questioned how this could or should be funded.</li> </ul>
<b>Metering</b>	<ul style="list-style-type: none"> <li>Many customers are satisfied with current meter reading practices, with some customers interested in smart meters and access to real-time data on gas usage.</li> </ul>	<i>No specific findings – AGN informed customers of the proposed approach (fee-for-service smart meters)</i>	<i>No specific findings – AGN informed customers of the proposed approach (fee-for-service smart meters)</i>
<b>Vulnerable Customer</b>	<i>No specific findings</i>	<i>No specific findings</i>	<ul style="list-style-type: none"> <li>Customers support AGN investing in a vulnerable customer assistance program, with some questions raised relating to ensuring the funding and delivery model is fair and equitable.</li> </ul>
<b>Community Education</b>	<i>No specific findings</i>	<i>No specific findings</i>	<ul style="list-style-type: none"> <li>There is mixed support for AGN developing a Community Education Centre, with customers seeking assurance that benefits would be accessible to the whole community.</li> </ul>

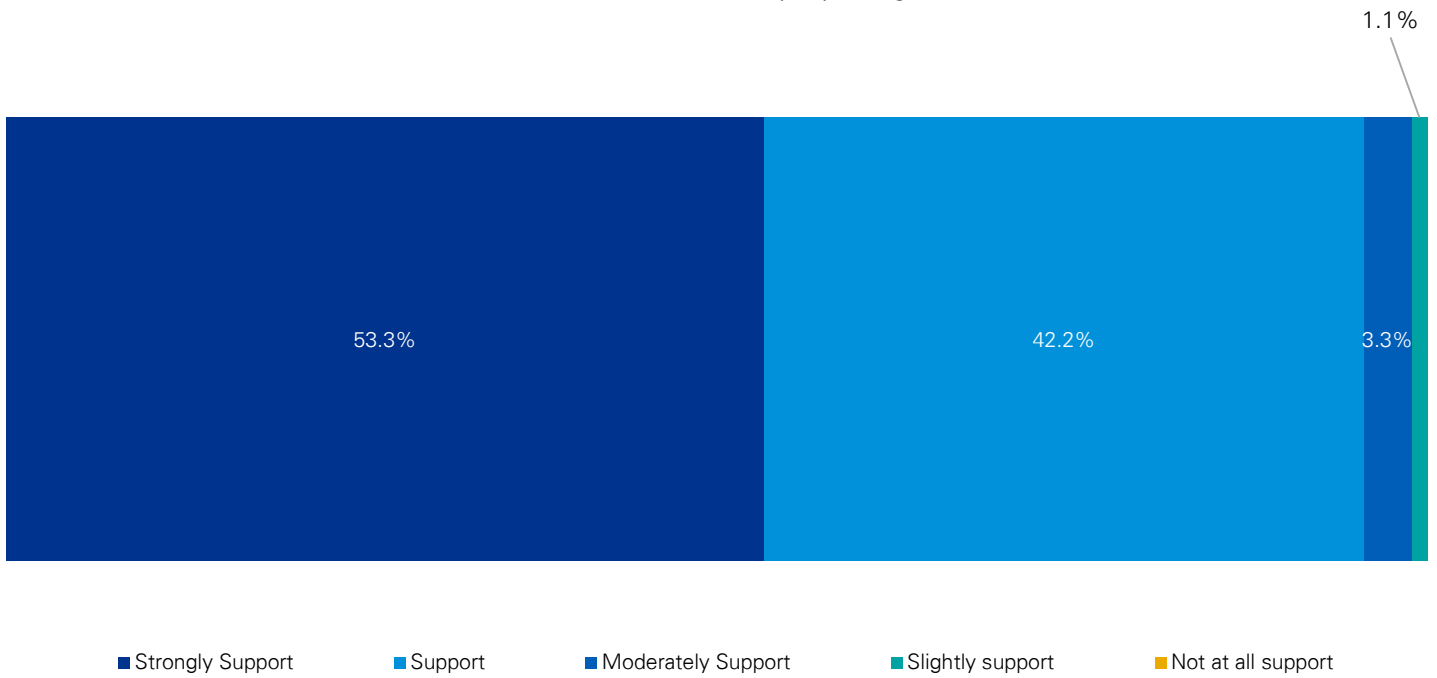


# Appendix C: Additional data

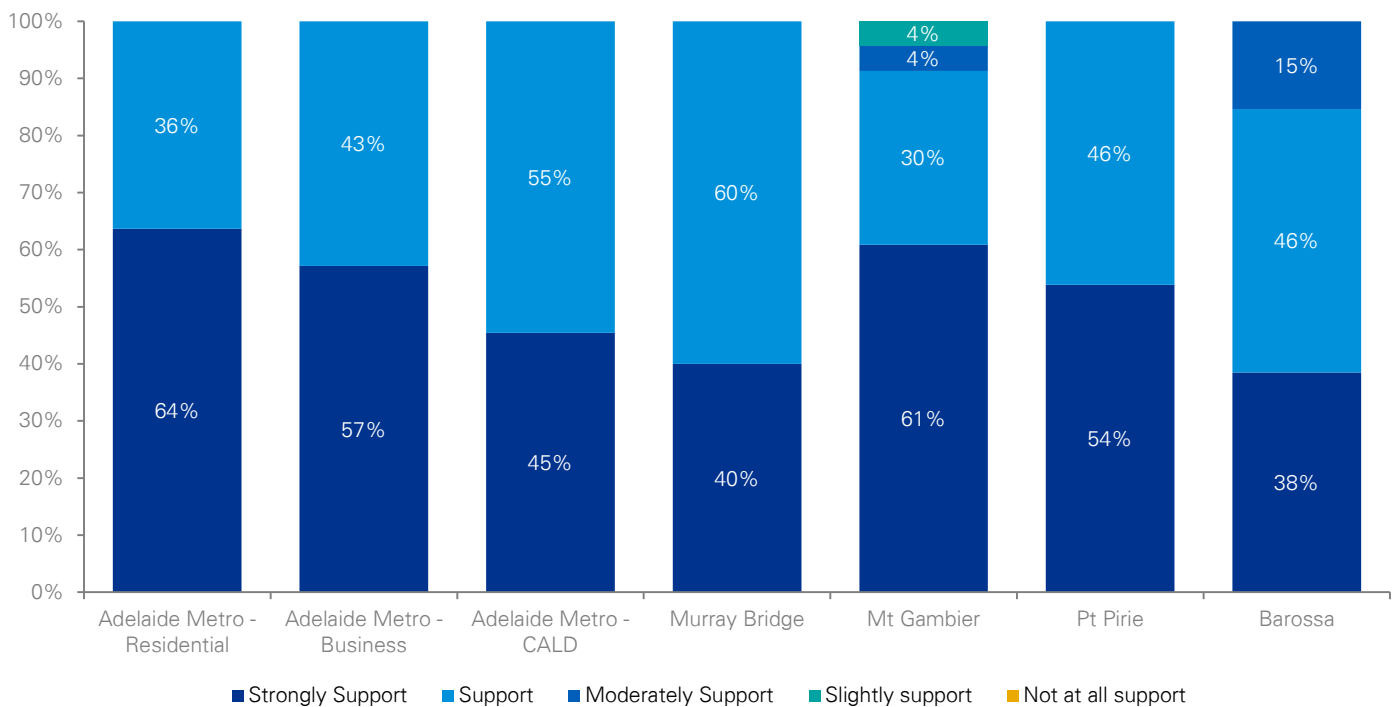


# Consultation on draft plan

Based on what you have seen today, to what extent do you support what AGN are proposing?

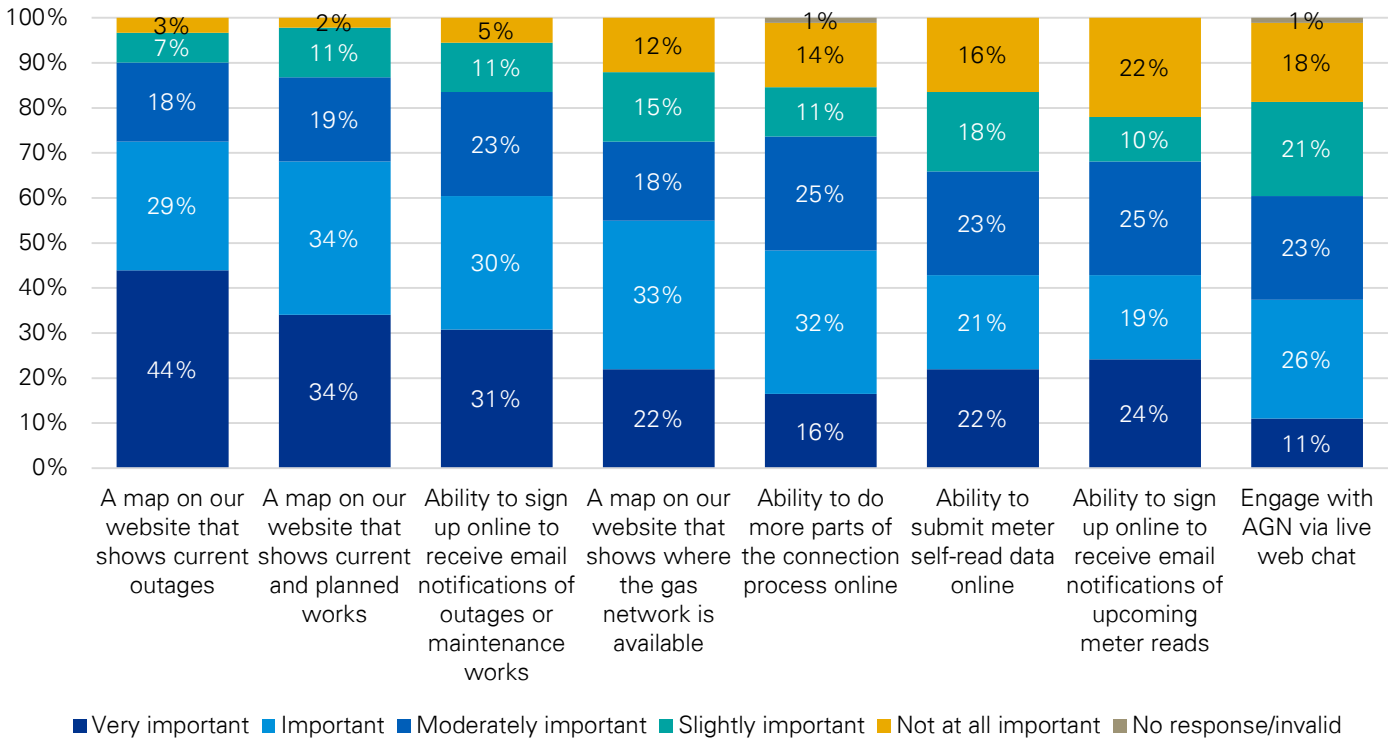


Based on what you have seen today, to what extent do you support what AGN are proposing?

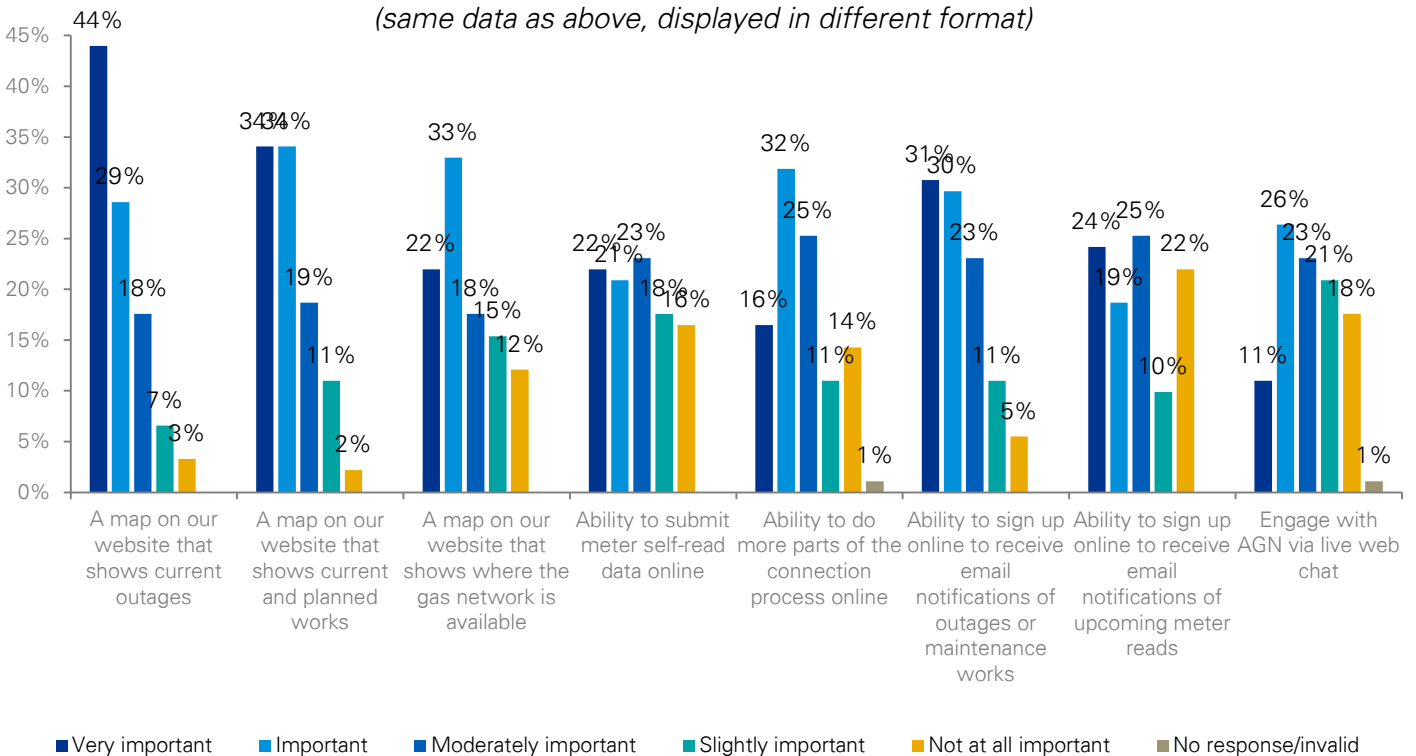


# Consultation on draft plan: Digital communication

Customers' support for specific digital functions

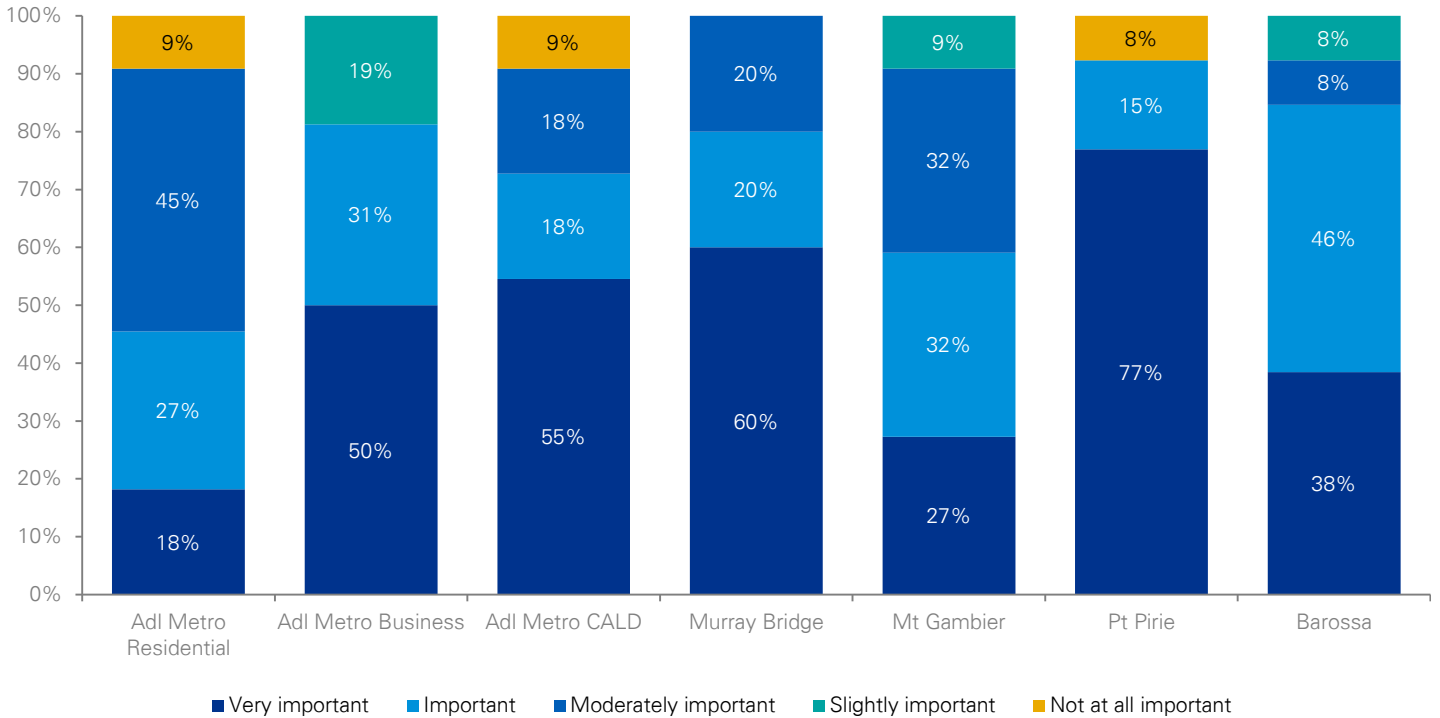


Customers' support for specific digital functions  
(same data as above, displayed in different format)

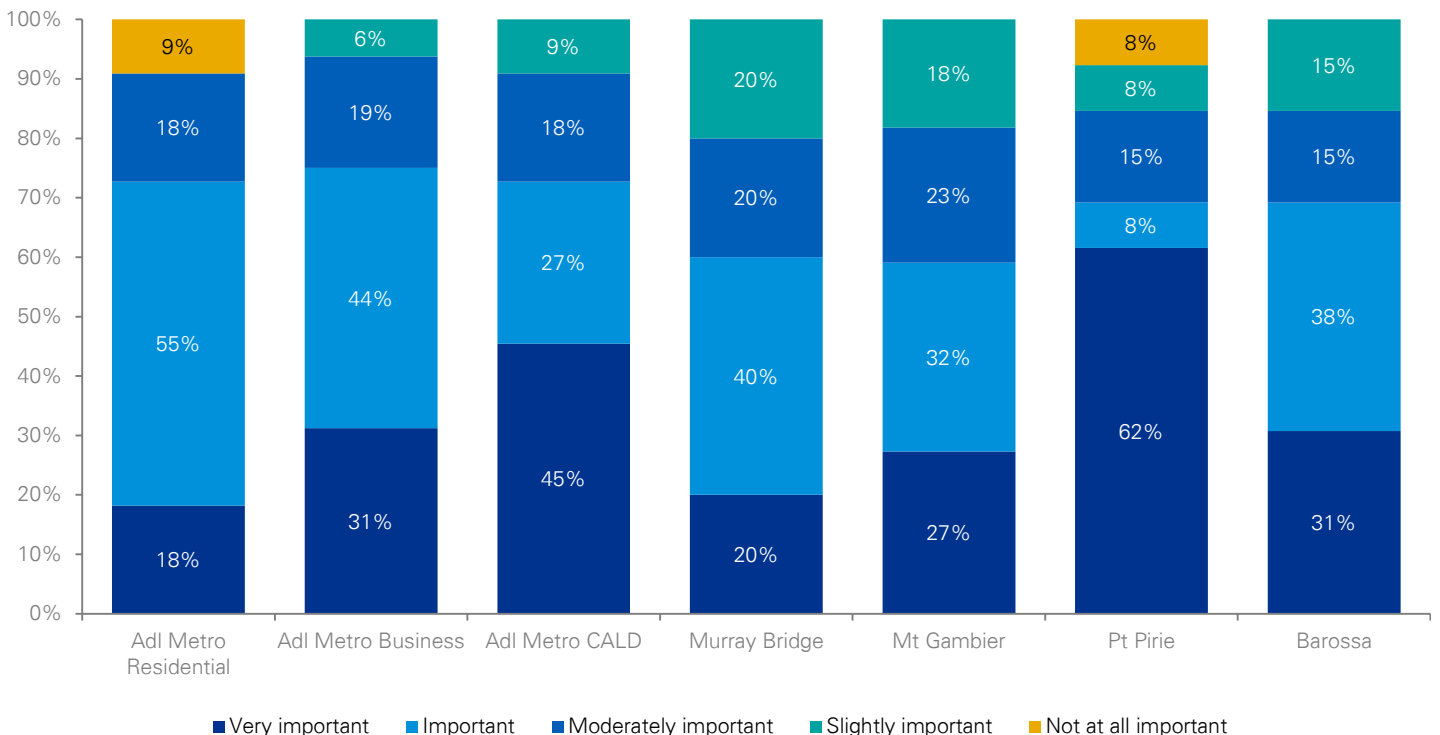


# Consultation on draft plan: Digital communication (Cont.)

A map on our website that shows current outages

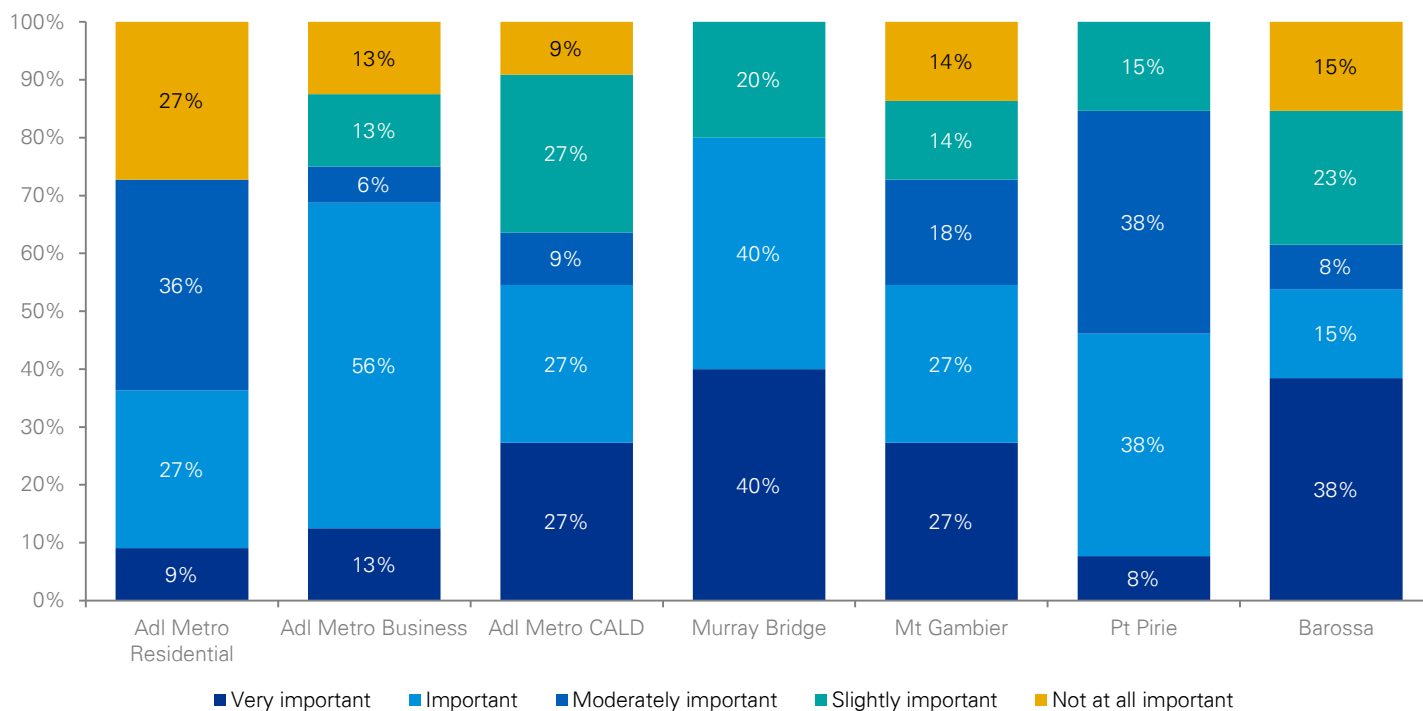


A map on our website that shows current and planned works

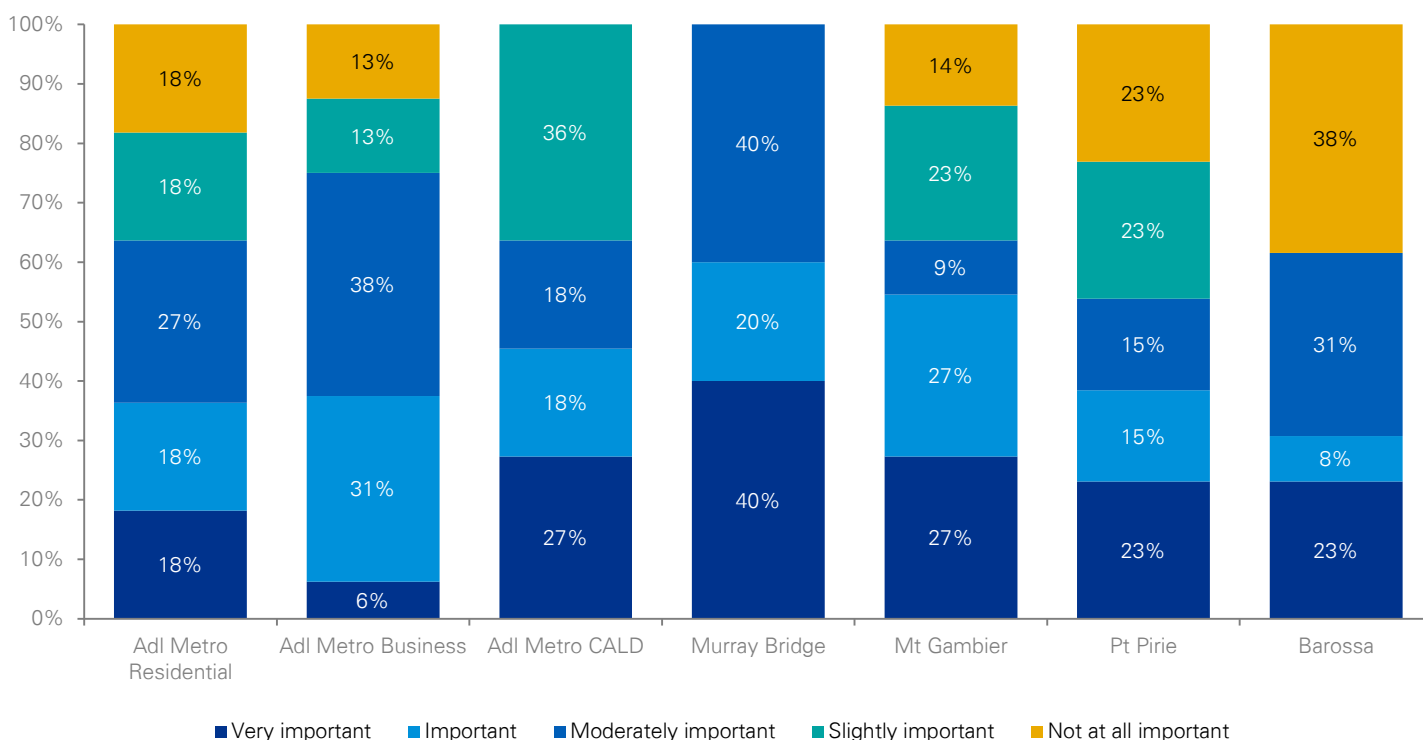


# Consultation on draft plan: Digital communication (Cont.)

A map on our website that shows where the gas network is available

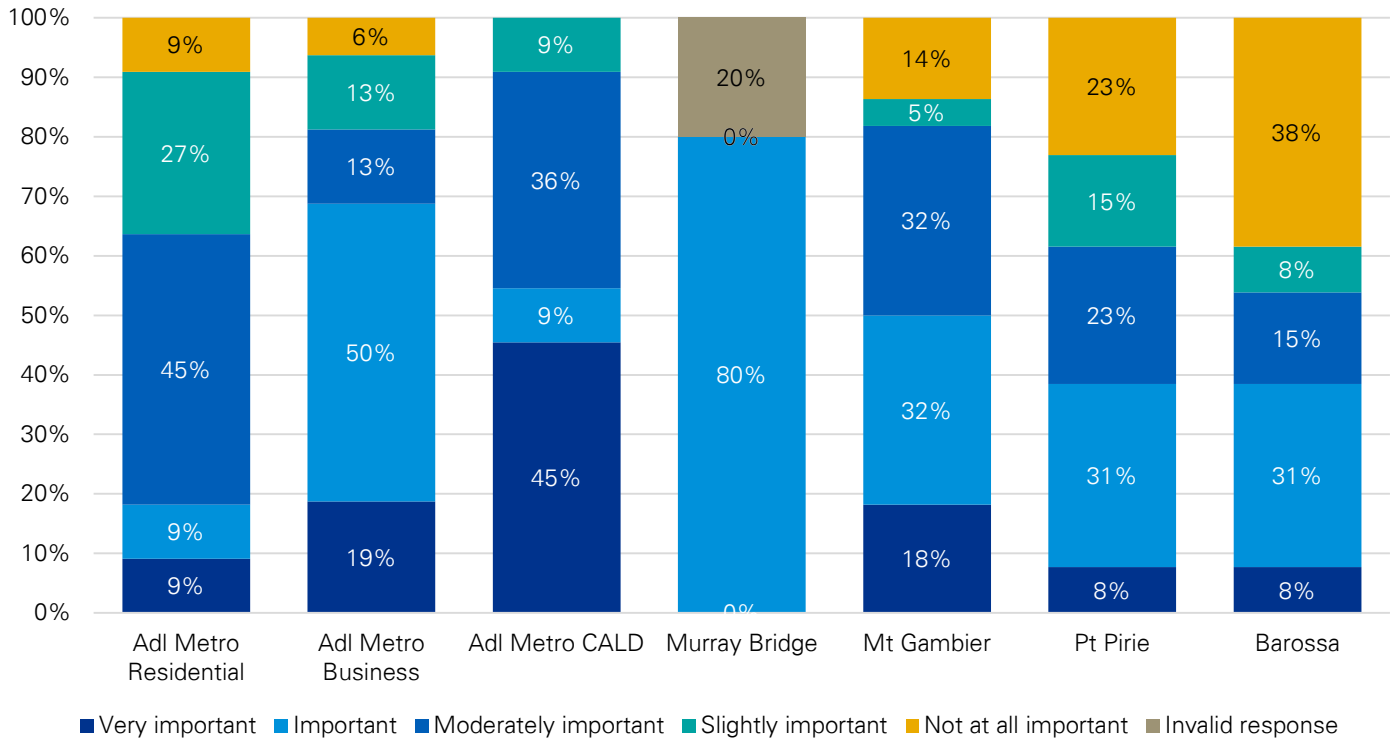


Ability to submit meter self-read data online

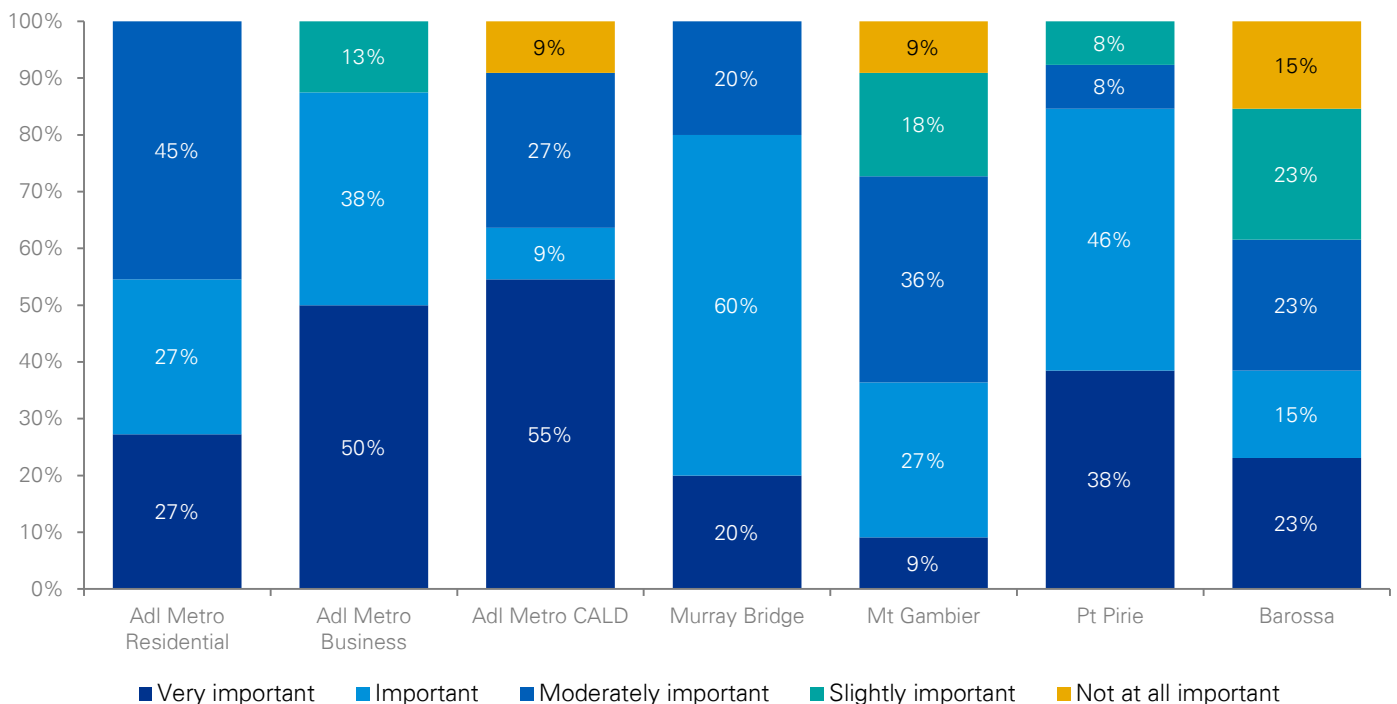


# Consultation on draft plan: Digital communication (Cont.)

Ability to do more parts of the connection process online



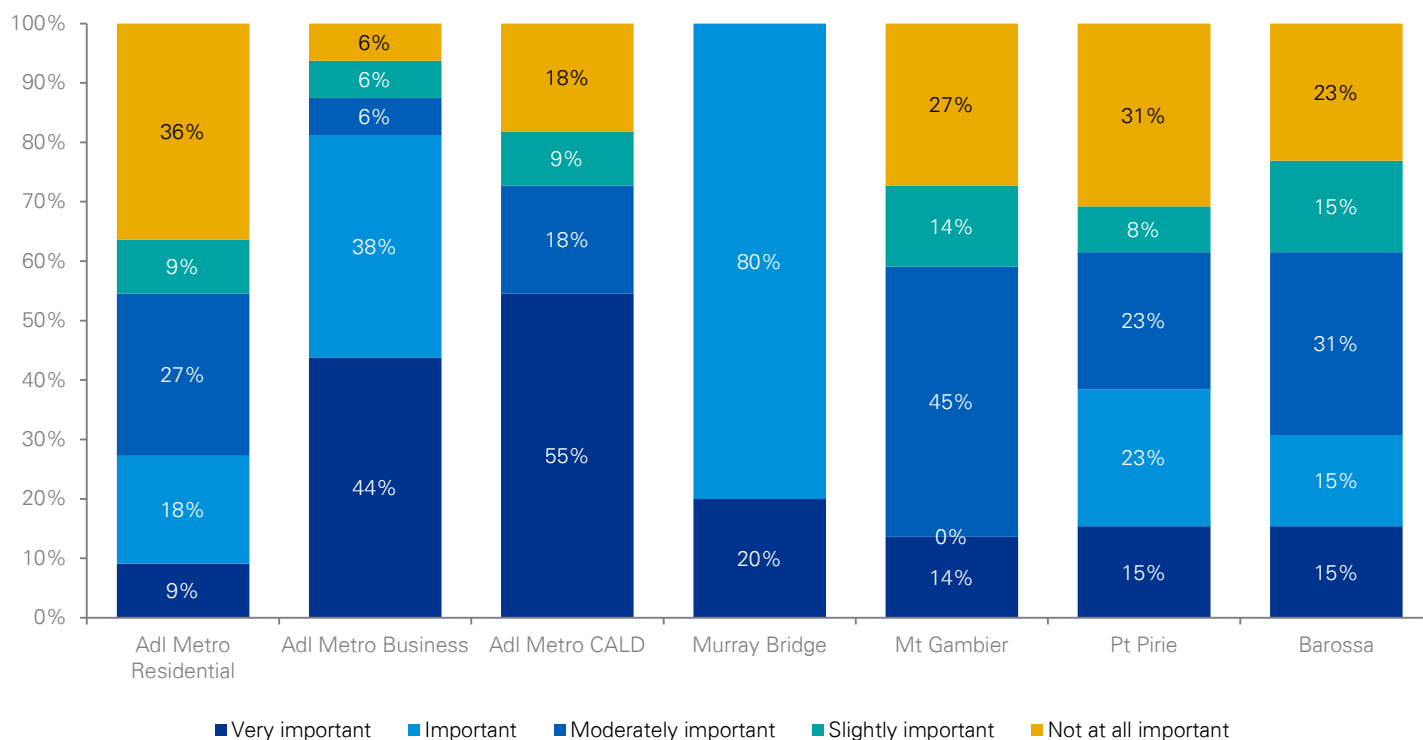
Ability to sign up online to receive email notifications of outages or maintenance works



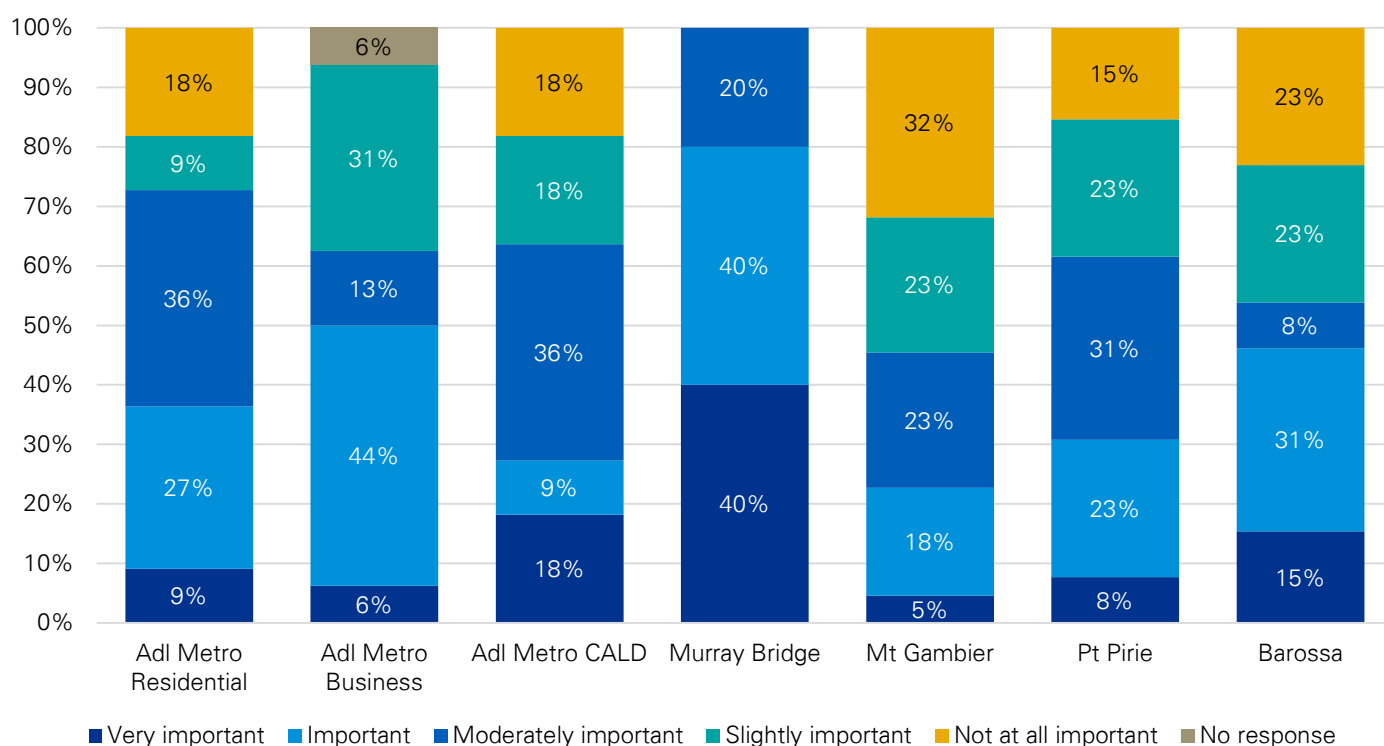


# Consultation on draft plan: Digital communication (Cont.)

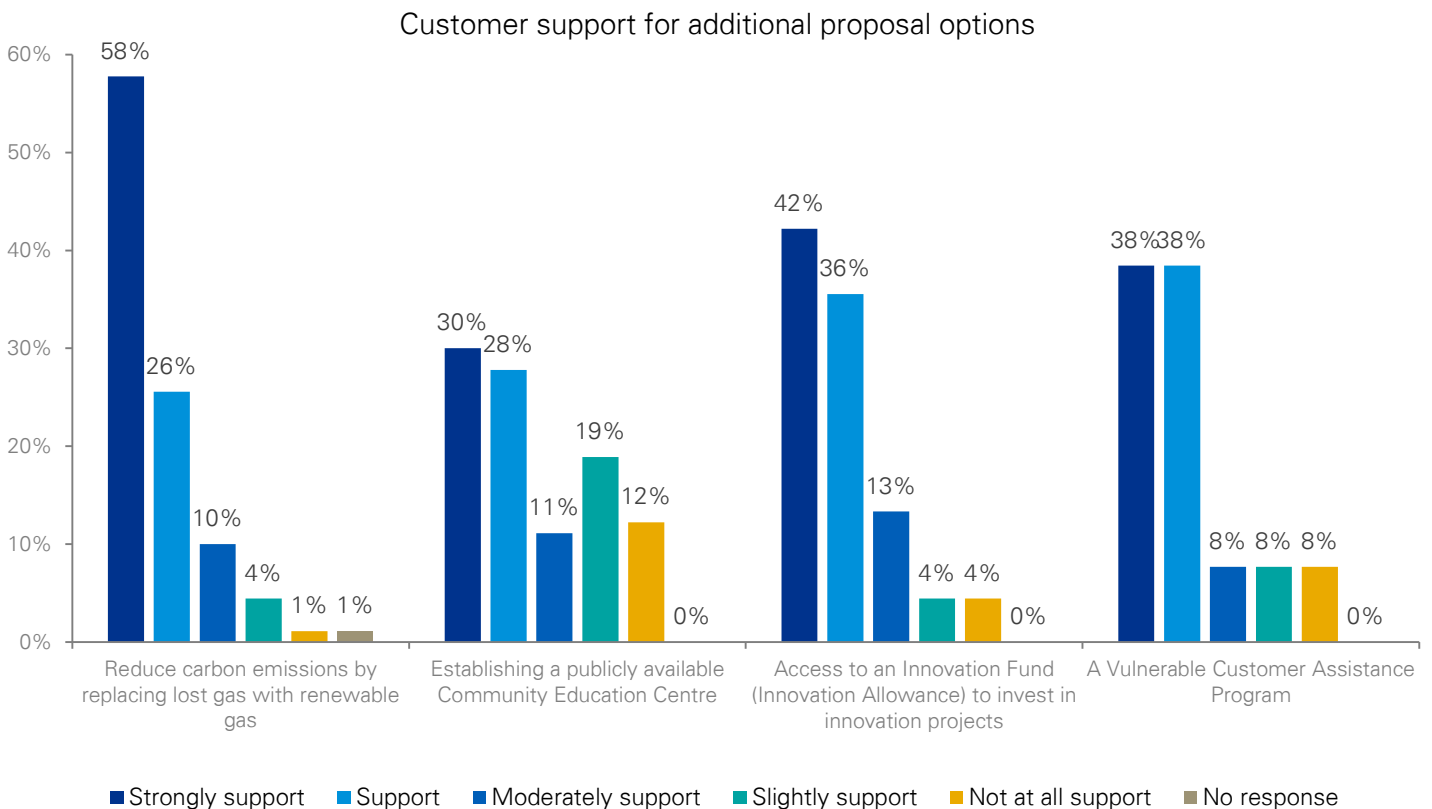
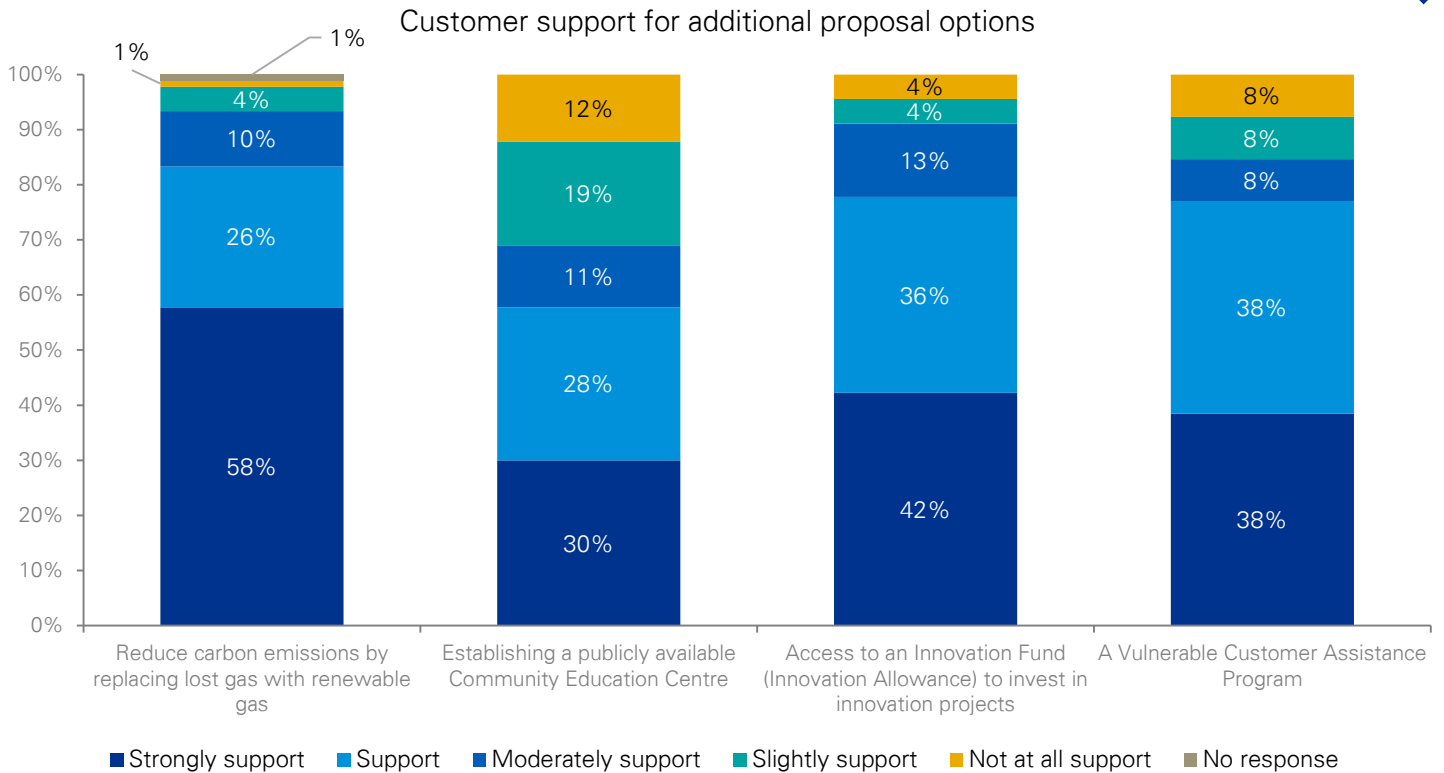
Ability to sign up online to receive email notifications of upcoming meter reads



Engage with AGN via live web chat

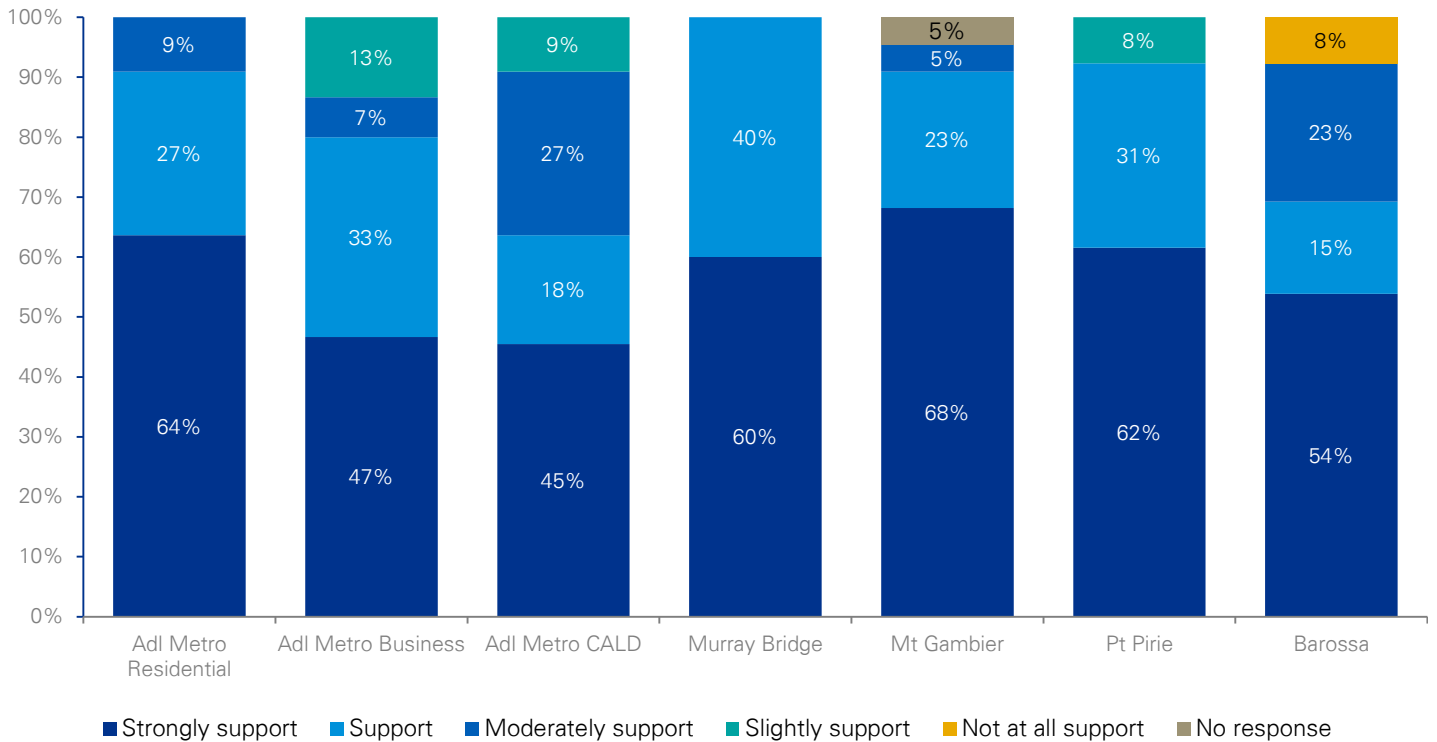


# Consultation on draft plan: Additional investment options

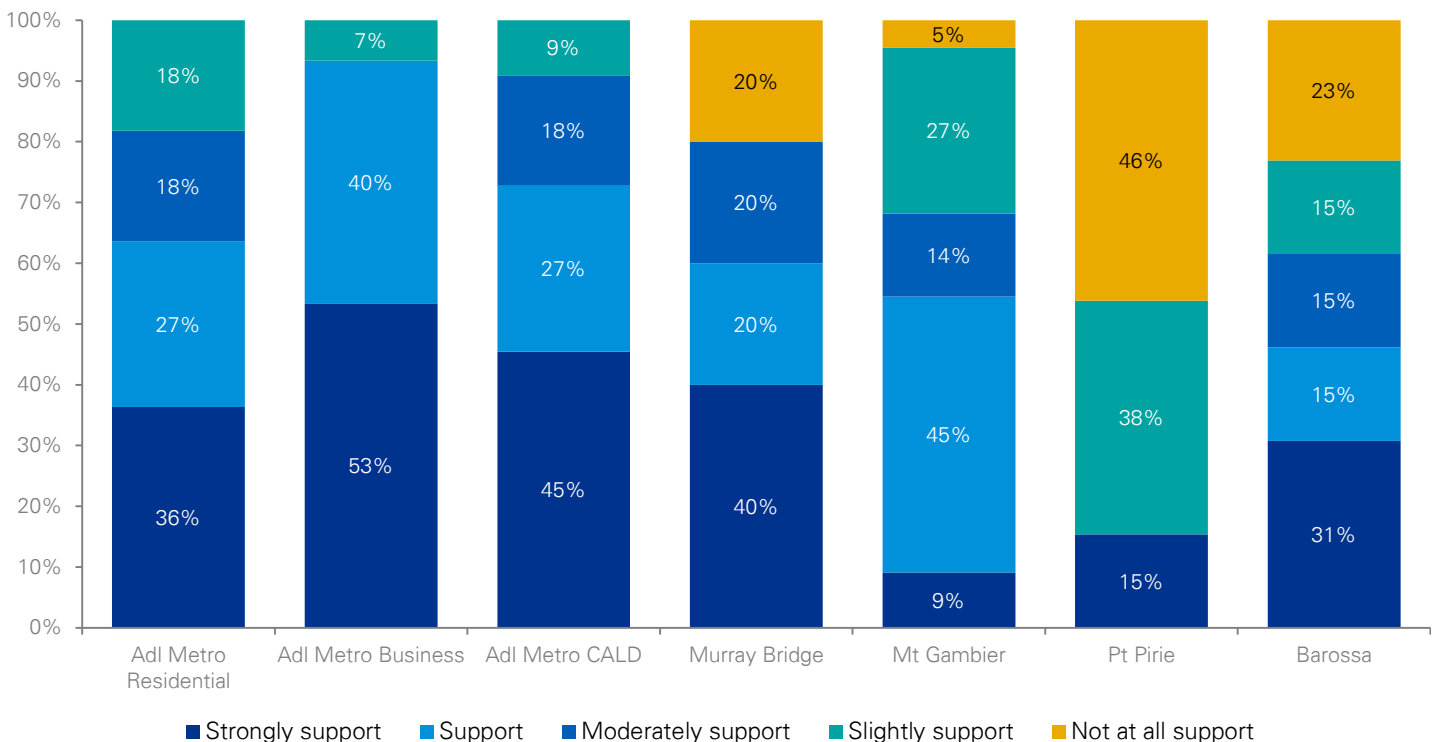


# Consultation on draft plan: Additional investment options (Cont.)

Reduce carbon emissions by replacing lost gas with renewable gas

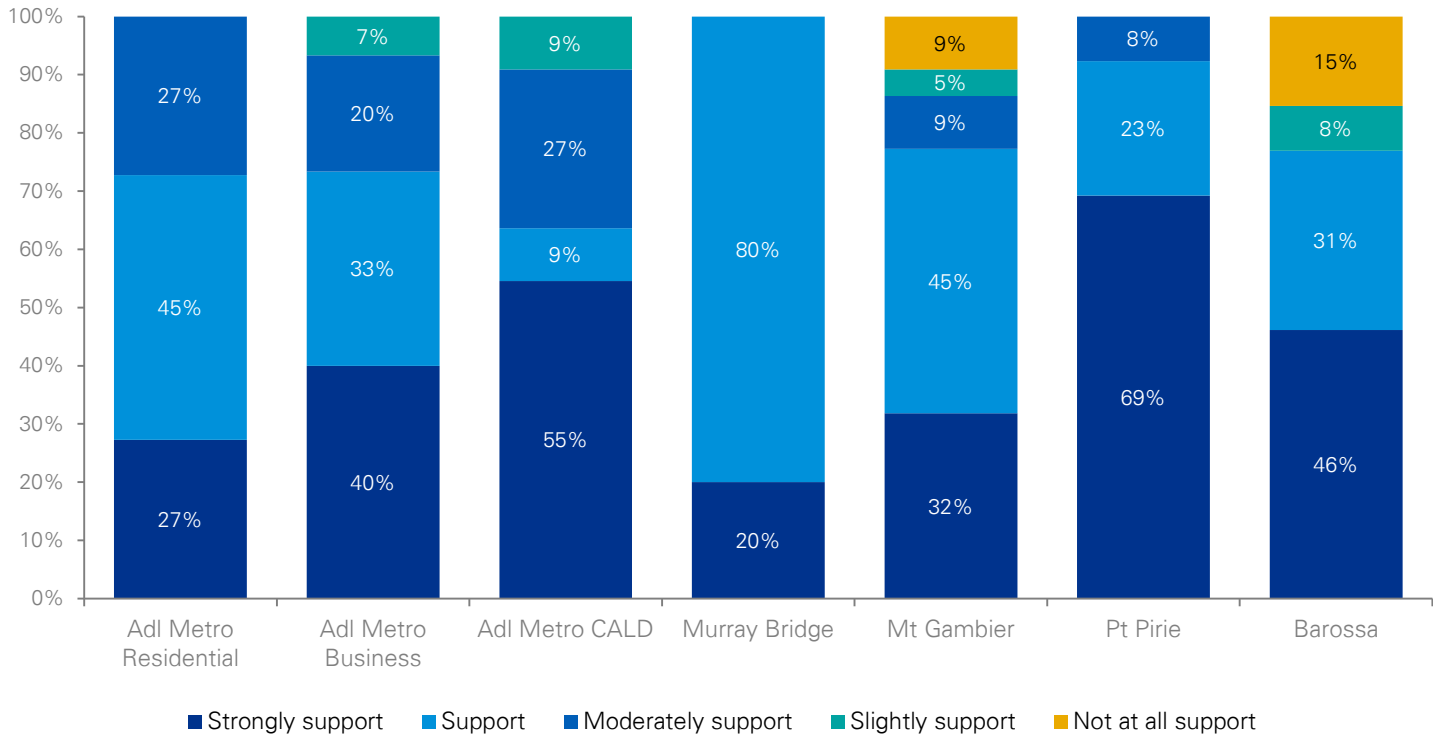


Establishing a publicly available Community Education Centre

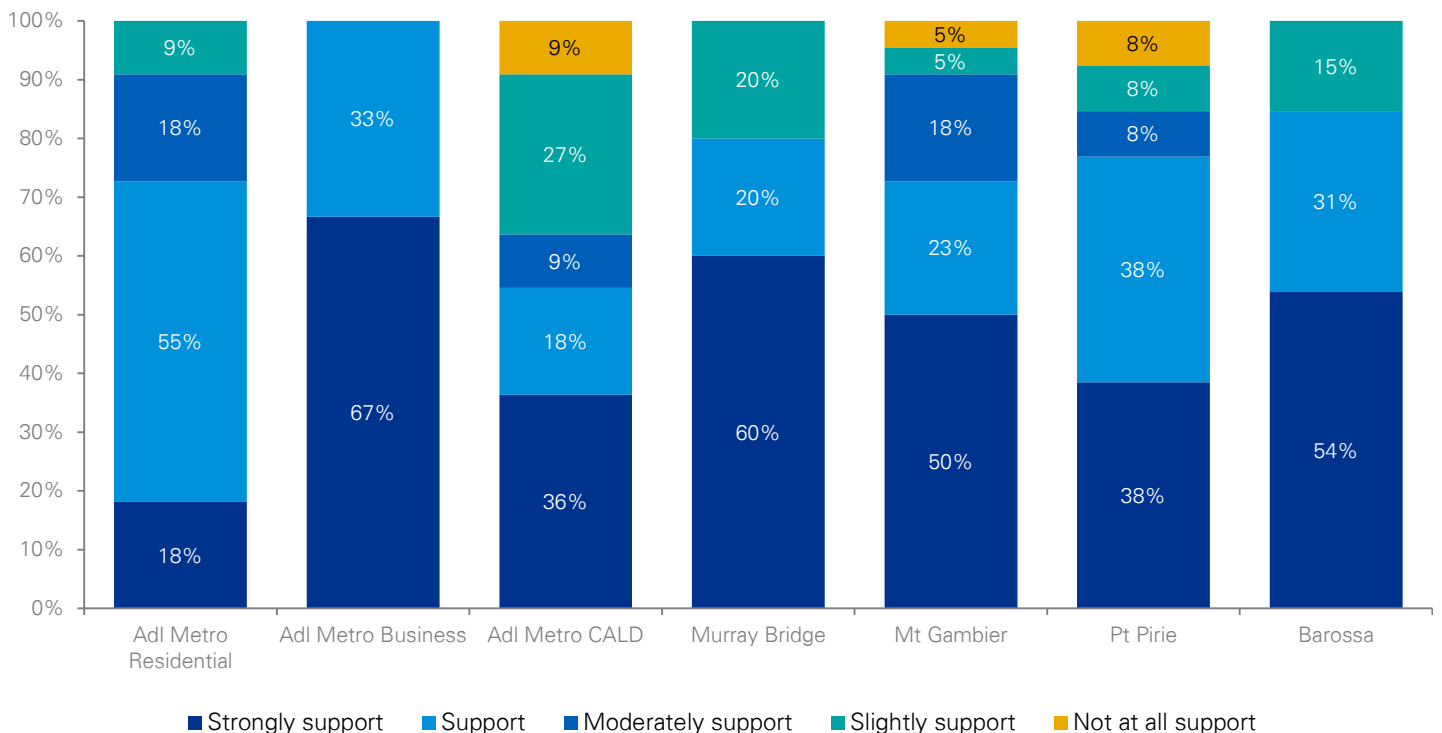


# Consultation on draft plan: Additional investment options (Cont.)

Access to an Innovation Fund (Innovation Allowance) to invest in innovation projects



A Vulnerable Customer Assistance Program





# Appendix D: Worksheets



# Worksheets: Phase 1 engagement

## How satisfied are you with the reliability of your gas supply?



## Activity Worksheet – Communication Preferences

### How would you prefer to communicate and/or interact with us?

Please tick the boxes below for your preferred methods of communicating with us for each of the following (tick up to 3 for each).

	Phone	Website	Web chat	SMS/ Text	Email	Letter/postal	Local advertising or news	Social media: Facebook, Twitter
Find out how to get connected to gas								
Information about the benefits of gas								
Lodge an application for a new connection								
Updates during the process of a new connection								
Information about <b>planned</b> works in your area								
Updates during a <b>planned</b> outage								
Report a gas leak								
Information updates during an <b>unplanned</b> outage								
Information about meter reading								
A query about your meter								
A general query about your gas supply or service								
A complaint or compliment about your gas supply or service								

# Worksheets: Phase 1 engagement



## Activity Worksheet – Prioritisation

How would you rank each topic or focus area in terms of how important it is to you?

Please fill out the boxes from 1 (**most important** to you) to 6 (**less important** to you).

Public Safety

Innovation and the Future of Gas

Growing and Maintaining the Network

Reliability

Price/Affordability

Customer Experience

Other (please specify) \_\_\_\_\_

### Comments (Optional)

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.....


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.....

.....

# Worksheets: Phase 2 engagement

The below worksheets were delivered via an online live polling tool to provide immediate feedback. Paper worksheets were made available to participants who preferred this method.

**Have your say...** 

**1** I am comfortable with the proposed approach to maintain current levels of public safety.  
 Agree  Disagree  Need more information

**2** I am comfortable with the proposed approach to maintain current levels of reliability.  
 Agree  Disagree  Need more information

**3** How important is it to you that we consider ways to lower carbon emissions?  
 Extremely important  Very important  Moderately important  Slightly important  Not at all important  
 Not sure – need more information


**4** I would like AGN to pursue more opportunities to lower carbon emissions further.  
 Agree – I am interested in considering costed options  Disagree – I don't think any more needs to be done  
 Need more information

**5** I am prepared to pay more on my bill every year so that AGN can invest in innovation projects that benefit the energy industry.  
 Agree – \$1 per annum  Agree – \$2 per annum  Disagree – I am not prepared to pay for this  Need more information

**6a** I expect AGN to deliver more of its services using digital channels between now and 2026.  
 Strongly agree  Agree  Neither agree nor disagree  Disagree  Strongly disagree

**6b** Please tell us why you answered this way?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Page 1 of 2

**Have your say...** 

**7** I am prepared to pay \$2.50 on my bill per annum so that AGN can invest in improved online services.  
 Agree  Disagree  Need more information

**8** I am prepared to pay \$5.50 on my bill per annum so that AGN can invest in SMS communications.  
 Agree  Disagree  Need more information


**Thank you.**

Do you have any other comments or feedback you'd like to share?  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_


Page 2 of 2



# Worksheets: Phase 3 engagement




**WORKSHEET A | DIGITAL SERVICES**




Please tick one box per row only

		How important is this functionality to you?					Please tell us why you answered this way?
		Not at all important	Slightly important	Moderately important	Important	Very important	
Mapping tools	A map on our website that shows current outages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	A map on our website that shows current and planned works	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	A map on our website that shows where the gas network is available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Extended service	Ability to submit meter self-read data online	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Ability to do more parts of the connection process online	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Communications	Ability to sign up online to receive email notifications of outages or maintenance works	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Ability to sign up online to receive email notifications of upcoming meter reads	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Engage with AGN via live web chat	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other	<write your idea here>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<write your idea here>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Do you have any other feedback or comments?



**WORKSHEET B | YOUR VIEWS**



**To what degree do you support this initiative?**

	Estimated cost impact per year <sup>A</sup>	Not at all support	Slightly support	Moderately support	Support	Strongly support	Please tell us why you answered this way?
Reduce carbon emissions by replacing lost gas with renewable gas	\$1.50-\$5.50 per year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Establishing a publicly available Community Education Centre	\$1.50 per year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Access to an Innovation Fund (Innovation Allowance) to invest in innovation projects	\$1-2 per year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A Vulnerable Customer Assistance Program	\$1-2 per year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Do you have any other comments, questions or suggestions?

Please note that this provides directional feedback only, to help AGN develop future plans.

# Feedback Form (all phases)



## Feedback Form – How did we do?

We value your feedback

Please take a few moments to share your feedback with us. It helps ensure the workshops are well run and that you have the best opportunity to have your say.

### How satisfied were you with today's session?

Please tick the appropriate box.

	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
The presentation and educational materials provided by AGN					
The topics presented for discussion					
There was an opportunity to have a say					
The workshop activities					
The facilitators and presenters					
The venue, location and time					
The workshop overall					



Any other comments:

.....

.....

.....

.....

What did you enjoy the most about today?

.....

.....

.....

.....

What could we do better in future sessions?

.....

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.....

.....

Thank you!

# Disclaimer

## Inherent Limitations

This report has been prepared as outlined in the Methodology Section (Appendix A). The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

The findings in this report are based on a qualitative study and the reported results reflect a perception of Australian Gas Networks (AGN) but only to the extent of the sample surveyed, being AGN's approved representative sample of customers and stakeholders. Any projection to the wider customer base is subject to the level of bias in the method of sample selection.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, AGN customers and stakeholders consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

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This report has been prepared at the request of AGN in accordance with the terms of KPMG's engagement letter/contract dated 19 July 2019 and varied 11 November 2019. Other than our responsibility to AGN, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.



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